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Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, APRIL 30, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father in Heaven, who dost love the whole world, save us from despair and fear as we ponder the little progress of the conference just concluded across the seas. Help us to see that there is gain in our statement of faith while others voice their fears, and that nothing is lost when our convictions and principles are expressed boldly and honestly in the midst of intrigue and suspicion. Keep us ever resolute in striving for the things for which so many of our men gave their lives in battle. Let us not throw away their sacrifice.

Since we seek unity and harmony in the world and in our own land, help us to achieve it in this place. If we, Thy servants, who pray together, who speak the same language, who share the same basic ideals, cannot work as a team, what hope have we that the leaders of other nations, with different languages, who do not pray together, whose ideals are so different, can achieve agreement? Help us, a hundred men, to find the secret of agreement, that we may show it to our own Nation, and lead it into teamwork between management and labor, between every group and faction, that our Nation may be one.

As we express our own ideas and listen to the ideas of those who differ with us, may we be humble enough to think about the third idea—Thine—and be persuaded by Thy Holy Spirit to embrace it, and thus discover the secret of harmony.

In the name of Jesus Christ, who was always right. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., April 30, 1947.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JAMES P. KEM, a Senator from the State of Missouri, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,
President pro tempore.

Mr. KEM thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 29, 1947, was dispensed with, and the Journal was approved.

MEETING OF SUBCOMMITTEE ON FLOOD CONTROL OF PUBLIC WORKS COMMITTEE

Mr. WHERRY. Mr. President, I ask unanimous consent that the Subcommittee on Flood Control of the Public Works Committee be allowed to sit this morning for the purpose of holding hearings.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MEETING OF SUBCOMMITTEE OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. BUCK. Mr. President, I ask unanimous consent that the Subcommittee on Buildings and Rents of the Committee on Banking and Currency may meet tomorrow between 11 and 12 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, permission is granted.

MEETING OF SUBCOMMITTEE ON THE TREASURY AND POST OFFICE DEPARTMENTS OF THE APPROPRIATIONS COMMITTEE

Mr. CORDON. Mr. President, I ask unanimous consent that the Subcommittee on the Treasury and Post Office Departments of the Committee on Appropriations may hold a final hearing this afternoon on the Treasury-Post Office bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon [Mr. MORSE] to recommit Senate bill 1126 to the Committee on Labor and Public Welfare, with instructions.

The clerk will read the unanimous-consent agreement which was entered into yesterday, April 29.

The Chief Clerk read as follows:

Ordered, That on the calendar day of Wednesday, April 30, 1947, at the hour of 1 o'clock p. m., the Senate proceed to vote, without further debate, upon the motion of the Senator from Oregon [Mr. MORSE] to recommit to the Committee on Labor and Public Welfare with certain instructions the pending bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes, and that the time intervening between the meeting of the Senate on said day and the hour of 1 o'clock p. m. be equally divided between the proponents and opponents of the said motion, to be controlled, respectively, by the Senator from Oregon [Mr. MORSE] and the Senator from Ohio [Mr. TAFT].

The ACTING PRESIDENT pro tempore. Pursuant to the unanimous-consent agreement, the Chair recognizes the Senator from Ohio.

Mr. TAFT. Mr. President, the pending motion has been so fully presented that we want only 15 or 20 minutes or perhaps half an hour after 12 o'clock. In the meantime, I wish to make a statement on another matter.

Mr. BARKLEY. Mr. President, does the Senator mean that only the opposition to the motion will be permitted to discuss it?

Mr. TAFT. Not at all. The time is divided equally between the Senator from Oregon and myself. In our time, we will need only about half an hour after 12 o'clock.

Mr. BARKLEY. I did not observe such an agreement in the announcement from the Chair, and I may want a few minutes.

THE IRRIGATION AND RECLAMATION PROGRAM

Mr. TAFT. Mr. President, the passage of the Interior Department appropriation bill by the House of Representatives has been made the occasion of an attack in the West on the Republican Party, representing that party as opposed to reclamation. As a matter of fact, the reverse is the truth. The bill makes large provision for a reclamation program, and the Republican Party intends to proceed with that program as rapidly as consistent with the other obligations of the Federal Government.

The truth is that the administration, and its departments, are opposed to all attempts to economize in the expenditures of the Federal Government. Whenever any reduction is made in the sums recommended by the President, it is at once charged that it destroys some important activity of the Federal Government. Yet, when all these cuts have been made, the departments will still have more money than before the war, and only excess activities and excess employees will be eliminated.

As to reclamation, the bill passed by the House provides $60,000,000 of new funds for reclamation, besides the carryover of $85,000,000, making a total available of $145,000,000, more than has ever been spent in a single year for reclamation.

The Republican Party is the party of reclamation. The program of reclamation and irrigation projects was instituted by the Republicans in the days of Theodore Roosevelt, and the party has supported the program ever since. We believe we have a greater appreciation of its significance and of the needs of the western areas than those who have administered the programs since 1933.

It was a major plank in our platform of 1944, and as chairman of the resolutions committee in the Republican convention I supported the following platform plank, which was adopted:

> We favor a comprehensive program of reclamation projects for our arid and semiarid States, with recognition and full protection of the rights and interests of those States in the use and control of water for present and future irrigation and other beneficial consumptive uses.

Every Republican Member of the Senate was elected on that program, and we fully intend to carry it out.

I have stated that the bill as passed by the House does contain an extensive program of reclamation. If any projects of importance have been omitted, they will be given complete consideration by the Senate committee. Furthermore, consideration will be given to increased funds for preparation of plans to the end that projects may be available as soon as more funds can be found.

I myself come from a State in which there are no such projects, but I subscribe 100 percent to the proposition that the United States is one country and cannot be really prosperous unless all sections are prosperous. The whole country benefits directly and indirectly from the development of the West. In that development today, nothing is more important than the reclamation and irrigation projects with the incidental power. Not only does it make the country capable of supporting a larger population; not only does it increase the income of the people of the West and of the entire Nation, but it also makes possible the development of industries in the West which in turn contribute to the national wealth and prosperity.

It is quite true that all expenditures of the Federal Government today must be reconciled with the necessity for reducing the tremendous burden of Federal expenditure, debt and taxation. It is true that so long as we feel compelled to spend billions of dollars on foreign countries and maintain our armed forces at a point beyond the necessities of peace, we cannot expand with any lavish hand the services to our own people. It is also true that this is not a peculiarly propitious time for the expansion of our public works program. Costs are very high and the activities of private industry are making use of the entire labor supply and most of the materials. The question of spending for reclamation, therefore, is a question of degree. We should not move too rapidly, except where the matter is one of urgency. But certainly there should be no greater holdback on western projects than on other public works throughout the United States. In fact, since these projects are self-supporting, there is reason to be more generous in this field. Few people realize that every cent invested in a reclamation project is paid back out of water revenues from those who use the land reclaimed.

I repeat that the bill passed by the House makes possible the largest reclamation program we have had in any year, and that particular projects of an urgent nature will be given further consideration.

Mr. BRIDGES. Mr. President, as chairman of the Committee on Appropriations, I should like to say a few words on the subject which has been discussed by the senior Senator from Ohio [Mr. TAFT].

The Republican Party which inaugurated the reclamation program, back in the days of Theodore Roosevelt, will continue it on whatever expanded basis the needs of the West require. It has always done that; it always will. Our reclamation program has always been a vital part of the steady development of American industry, as beneficial to the East, in its long-run aspects, as it is to the West in its immediate results. We Republicans inaugurated it; we have been committed to it for many years; we still are committed to it. We will translate party pledges into action.

The Senator from Ohio told the Senate that the Interior Department appropriations bill, as passed by the House, is an infinitely more generous bill than its critics realize or state, more generous, indeed, than any fund provided by the New Deal in all the years of its existence. That is true; far truer, no doubt, than many Senators realize. I am for economy and we can have economy without interfering with positive and orderly progress of this program.

Let us go to the record. The Interior Department, for reclamation, irrigation and incidental power development projects, has on hand a huge unexpended balance. It rarely has, in all its years, been able to spend all, in a single year, that Congress has appropriated for reclamation purposes. But this year, because of President Truman's freeze order of August 1946, greatly restricting the Department's public-works expenditures for the fiscal years 1947 and 1948, it now has $85,826,767, in unexpended funds available for reclamation purposes.

In his order, the President specifically requested "that expenditures for construction projects of the Bureau of Reclamation be limited to $85,000,000 for each of the fiscal years 1947 and 1948." Note carefully that Mr. Truman specifically included year 1948, for which we are now called upon to make appropriations. Now, to be precise, there is, in an unexpended balance, a total of $85,826,767 available for reclamation projects. The President recommended that the total appropriation be limited to $85,000,000.

The House Appropriations Committee provided $55,258,600 in new funds for reclamation construction work. When the bill was under consideration on the floor of the House an additional $5,175,000 was approved. This makes a total of $60,433,000 in new funds for reclamation projects. That sum alone, Mr. President, is greater than the Bureau of Reclamation was ever allotted in any prewar year of the New Deal, when widespread unemployment was a major problem.

But when we add the $60,433,000 in new funds to the $85,826,767, which the President froze, after twice liberalizing his economy order, once just before an election, we have a total of $146,260,367 for reclamation purposes in the fiscal year 1948. That is a very generous sum, far more generous than its critics realize or than was provided by the New Deal administration in any year of its existence; yet there are those who talk about cutting the heart out of reclamation.

Now, of course, $85,826,767 of that total amount is frozen by Presidential order, but the President can unfreeze it at his will. Indeed, steps already have been taken to unfreeze it, since a bill to require such unfreezing has been introduced in the House.

I have said that the Interior Department appropriations bill, as it stands today, on the eve of Senate committee hearings, provides much more generously for reclamation projects than the New Deal provided in any year of its lavish spending. For proof of that statement I refer to the yearly figures. In 1933 the Bureau of Reclamation was given $25,204,000 to spend. In 1934 it was given $24,000,000; in 1935, $40,000,000; in 1936, $49,000,000; in 1937, $52,000,000; in 1938, $65,000,000; in 1939, $79,000,000; in 1940, $96,000,000, which was the highest figure in any year of the New Deal; in 1941, $85,000,000; in 1942, $91,000,000; in 1943, $69,000,000; in 1944, $54,000,000; in 1945, $50,000,000; and in 1946, $64,000,000.

The Senate Appropriations Committee, through its subcommittee on the Interior Department, headed by the able Senator from Nebraska [Mr. WHERRY], will carefully investigate, I am sure, every proposed project before it. Every interested party will be given full opportunity to explain it, to present the need for it. If it can be shown, beyond any doubt, that there is a sound and vital need for spending the money it will be spent.

I have talked with the distinguished chairman of the subcommittee, and I know that all interested persons and groups will be accorded a fair hearing by the subcommittee.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WHERRY. The remarks by the distinguished chairman of the Committee on Appropriations are most pertinent and appropriate, but I should also like to have the RECORD show that the chairman of the committee has told me it is his desire that each one of the projects be given most careful consideration and that the subcommittee go into each of them in detail. The Senator from New Hampshire is just as anxious as any other Member of the Senate to see that full consideration is given to each of the requests for funds in connection with the different projects on the list. He is

wholeheartedly in sympathy with the desire of the subcommittee to look into the projects upon their merits. I assure the Senator the latitude extended to us by him is appreciated, that the subcommittee will keep faith with his desires, and that we will go into each and every one of the projects, determining what appropriations should be made, upon the merits of each project as it comes before us.

Mr. O'MAHONEY. Mr. President, would the Senator yield?

Mr. BRIDGES. I yield.

Mr. O'MAHONEY. Am I to understand that this is a declaration of sympathy, or a declaration of action?

Mr. WHERRY. Mr. President, if the Senator from New Hampshire will yield——

Mr. BRIDGES. I yield.

Mr. WHERRY. I should like to say to the distinguished Senator from Wyoming that it is a declaration of action. I feel sure the Senator will agree that the Senator from Nebraska, last year, gave the reclamation program action when it came to the matter of appropriations.

Mr. O'MAHONEY. I am very happy to acknowledge the service which the Senator from Nebraska performed last year in support of reclamation. I am forced to say, however——

The ACTING PRESIDENT pro tempore. If the distinguished Senator will suspend for a moment, the chair would like to say that, as he understands, the Senate is proceeding under a consent agreement.

Mr. TAFT. That is correct; and I do not wish to give any more time to the Senator from New Hampshire than it takes for him to complete his statement, because there is another statement to be made.

The ACTING PRESIDENT pro tempore. The Chair would like to know against whose time the remarks by the Senator from Wyoming should be charged?

Mr. TAFT. It should be charged against my time. I should have formally requested time for the Senator from New Hampshire, but that time has about expired.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. Will the Senator state the inquiry?

Mr. O'MAHONEY. Is it to be understood, then, that a subject of this great importance to the entire West and to the United States as a whole, for that matter, may be raised upon the floor, by consent of the chairman of the Republican conference, with no opportunity given to any other Senator to make comment upon the matter?

Mr. TAFT. Mr. President, at this time it happens that those opposed to the pending motion do not desire the full hour accorded for debate, and I have allotted certain time to others who wish to speak on reclamation. After 1 o'clock there will be no time limit. At present, I have reserved half an hour for debate on the motion itself.

Mr. O'MAHONEY. Mr. President, will the Senator be good enough to yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. TAFT. I do not have the floor.

Mr. O'MAHONEY. If the Senator from Ohio is parceling out the time for debate on the problem of reclamation and Interior Department appropriations, may I ask him whether or not he will be willing to allot me some of his time, which he is so generously distributing, upon that subject?

Mr. TAFT. I am very sorry, but I have no such time to yield now. I have promised the entire hour that I have at my disposal. I regret that the Senator will have to wait until 1 o'clock, after the vote, when there will be ample time to discuss the question. In the meantime the Senator will have an opportunity to read what I said, which opportunity he has not as yet had. I should be glad to have the comments of the Senator on my statement, which was read before the Senator came in.

The ACTING PRESIDENT pro tempore. As the Chair understands, the Senator from Ohio has the floor, and he has yielded to the Senator from New Hampshire.

Mr. BRIDGES. I shall take but one more minute.

Mr. O'MAHONEY. Mr. President, one more parliamentary inquiry.

The ACTING PRESIDENT pro tempore. Will the Senator state his inquiry?

Mr. O'MAHONEY. Am I to understand, then, that this is a new procedure which is introduced in the Senate, by which one side of a question, and only one, may be presented at any time, and according to the pleasure of the chairman of the Republican conference?

Mr. TAFT. Mr. President, a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state the point of order.

Mr. TAFT. The Senator from Wyoming has not made a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Chair understands the Senate is now operating under a usual and customary unanimous-consent agreement.

Mr. O'MAHONEY. I will say, Mr. President, it is a very extraordinary and unusual procedure.

Mr. BRIDGES. Mr. President, we must continue with our program. My position, as expressed here today, is in line with my belief in and desire for economy in governmental expenditures, but, at the same time, I do not want such legitimate economy to interfere with a constructive program of reclamation, for no work, no industry which is essential to the development and economy of the West can be curtailed without affecting the economy of the Nation as a whole, because the economy of the West or the economy of the East in the end is the economy of the entire Nation.

Mr. TAFT. Mr. President, I yield 15 minutes to the Senator from Wyoming [Mr. ROBERTSON].

Mr. ROBERTSON of Wyoming. Mr. President, I am much interested in the statements which have been made by the distinguished chairman of the majority steering committee, the Senator from Ohio [Mr. TAFT], and the distinguished chairman of the Appropriations Committee, the Senator from New Hampshire [Mr. BRIDGES], regarding reclamation in the West and appropriations for reclamation.

It is encouraging to know, and it will be particularly encouraging to the people of the West to know, that these distinguished Senators, occupying such important positions in the United States Senate, today understand the great problem of reclamation and are determined to see that it is not only continued, but, if and when the opportunity and necessity arrive, funds will be provided to see that the far-reaching surveys of areas subject to reclamation and irrigation which are part of the great over-all plan will receive proper attention and that money will be supplied for the orderly carrying out of these projects. This is as it should be, for, after all, it was President Theodore Roosevelt who was responsible for reclamation, and it was during his term of office as President in 1902 that the first Reclamation Act was passed. Theodore Roosevelt knew the West. He spent a great deal of time there. He knew that this great arid, semiarid, and semidesert area of the United States needed only one thing to make it bloom, to make it one of the garden spots of the country, and that was water.

The West is the country of the small businessman, the country of the individual businessman, of the independent operator. The West feels that big business, big labor, and big government are not in the interests of the West or the Nation as a whole.

The West is disturbed at the big Government that has developed, particularly in the last decade. It seems that during the last 15 years the thought of those in positions of authority in the Government departments or bureaus has been to build more and greater bureaus, departments, and divisions of Government. I think perhaps one illustration will show the Senate clearly how this empire building progresses.

In 1934 the Taylor Grazing Act was passed. This was an act to lease the Government-controlled grazing lands in the Western States. In setting up the personnel necessary to operate this grazing service the then Secretary of Interior, Mr. Ickes, said he had no intention of the organization becoming a bureau or that any large sum should be spent for management, but that it would be a small office in his own Department, and it was just that, but not for long.

It is not necessary for me to take up the time of the Senate stating how each year this small group was enlarged and greater appropriations were asked for, until finally Mr. Ickes himself had it made a Bureau with a Bureau head and all that goes with a Bureau, and appropriations up to one-million-seven-hundred-thousand-odd dollars were asked for it. It actually received for 1 year's operation $1,100,000 and there was an ever-increasing demand. That is a small

but definite example of Government empire building.

Mr. President, I have here a schedule of appropriations for the operation of the Taylor Grazing Act from 1936 to 1947. In 1936 the appropriation was $250,000. In 1946 the appropriation, for the same services, had reached $1,121,470. I ask that this schedule for the years 1936 to 1947 be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Taylor Grazing Act and appropriations

(Passed 1934)

Fiscal year:	*Salaries and operating expenses*
1936	$250,000
1937	400,000
1938	550,000
1939	660,000
1940	750,000
1941	750,000
1942	800,000
1943	839,300
1944	978,700
1945	1,047,740
1946	1,121,470
1947	550,000
Total	8,687,210

Mr. ROBERTSON of Wyoming. Mr. President, this steady enlargement no doubt has gone on to some extent in the Bureau of Reclamation just as it has in other Bureaus, and it is right and proper that the Congress should scrutinize the appeal for appropriation of this and other departments and bureaus, and go over them with a fine-tooth comb to eliminate all the unnecessary functions and confine the spending of the people's money to those projects or operations which will show a national business development of this great western area, covering one-third of the United States.

Mr. WHERRY. Mr. President, will the Senator yield for an observation?

Mr. ROBERTSON of Wyoming. I yield.

Mr. WHERRY. I want to assure the Senator from Wyoming, as I have already assured the chairman of the Appropriations Committee, that our subcommittee will carefully scrutinize such appeals. I thank the distinguished Senator for calling the matter to the attention of the Members of the Senate, and also for the intense interest he has always shown in the reclamation program and projects, not only for his own State, but throughout the West.

Mr. ROBERTSON of Wyoming. I thank the Senator from Nebraska.

Mr. President, I am distressed at the lack of knowledge of the people of the East and of people of the eastern part of the Middle West, and in fact of many from the South, as to the conditions in the West. By the West, I mean the vast arid and semiarid area of the west central United States. This includes the States of Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Arizona, Nevada, and the eastern half of Washington, Oregon, and Califorina. These States are frequently called, or I should say miscalled, "the public land States." I do not agree with that name. However, that is another story on which I intend to address the Senate at some later date.

I repeat, I am distressed at the general lack of knowledge and widespread misconceptions about conditions in the West, and particularly about reclamation. It is disturbing, not alone from the westerners' western point of view, but from the much larger point of view of the Nation as a whole. The West is an integral part of the United States. The population of the West is increasing. In proportion to its population, the West contributes to the United States its full share in war and peace.

There are no finer people in the United States—yes, in the world—than stouthearted westerners who must continuously battle the elements, the adversities of nature, and worst of all, the damaging ignorance of those who have no understanding of their mission or their needs.

Comparatively few people of the country know anything about the terrain, the climate, the crops, or the inhabitants of this vast area of mountains and plains which covers one-third of the entire United States. The common conception of the West is based upon Hollywood "horse operas," romantic fiction, and childhood folklore.

I could cite figures to show that the Western States are leading producers of copper and many other mineral ores upon which the entire Nation depends; that the West is the meat producing center of the Nation; that its petroleum products are a significant portion of the country's total output; that most of the great rivers of our Nation rise in the high mountains of the West; that it produces agricultural crops which are many and varied, and serves as an unfailing market for great quantities of industrial products, the raw materials of which have their origin there.

But what I want to discuss today is not what the West now has, but what it needs. The potentialities of the West are legion, but they are linked closely with the development of its natural resources, chief of which is water.

The only feasible method of developing and utilizing that resource is through the reclamation program, whereby the West obtains refundable loans to finance initial construction of dams, reservoirs, and power plants.

Interrupted by the war at a time when the long-range program was just coming into full development in an orderly schedule of construction, the reclamation program in the Western States was to have been resumed as soon as the exigencies of total war permitted. The fighting has ended, and most production is rapidly returning to normal.

Reclamation, and with it irrigation, contributes more to national economic stability than almost any other single factor.

Thousands of veterans are seeking the opportunity of a new life—a home and income and a valuable stake in the expansion of the West and in the country they fought for.

Reclamation is an economy move. How great an economy few realize, but surely when we realize that every cent of all construction costs for reclamation projects is paid back in cash to the Federal Government by the settlers themselves on the various projects, there can be no doubt as to the economic value of this great development of the arid and semiarid areas of the country.

I want to convey to the Senate today, if possible, how this long-range program affects the West—how water is more precious than gold, and how honestly and honorably the pioneering settlers on these virgin lands have met their obligations to their Government in paying off these reclamation appropriations or loans, for these are in fact loans. To emphasize this point I think every reclamation appropriation in the appropriation bill should be placed in a separate category and marked "refundable appropriations."

This matter of appropriations for reclamation is of such vast importance, not only to the West but to the entire United States, that I ask Members of the Senate to bear with me for a few minutes while I explain in more detail how these refundable appropriations are used, the benefits that result, and how the money appropriated is refunded in cash to the United States Treasury.

I feel that the best way to do this is to take one of the projects with which I am familiar and describe how it began, how it operates, and what it means to the community, the State, and the Nation.

The example I have in mind is the Shoshone project in northwestern Wyoming—one of the earlier projects in the country but typical of all such undertakings. I take this example because I have seen it grow, almost from its inception, and I am familiar with its record and problems, as are most of the residents of the area, because it constitutes the very life blood of an agricultural economy in the Shoshone Valley.

From the jagged cliffs and canyons of the mountains ringing the eastern border of Yellowstone Park pour the roaring waters of thousands of small streams which combine to form the two forks of the Shoshone River. These two forks converge about 10 miles above the town of Cody, at a point where the stream plunges into a narrow canyon approximately 8 miles long. The precipitous granite walls of this canyon formed a natural site for a dam, and in 1907 the Bureau of Reclamation started construction on what was then the highest dam in the world, 328 feet high and 200 feet wide at the top.

Today it is dwarfed by half a dozen others of greater size, but it is still a splendid addition to the natural scenic beauty of the area, and an engineering masterpiece. Not only has the wishbone-shaped reservoir, holding 456,600 acre-feet of water, converted thousands of acres of sagebrush prairie into fertile and productive farm lands, but hydroelectric power from a power plant at the base of the dam serves the entire area with low-cost electricity. When full, the reservoir is about 10 miles long and 5 miles wide, providing a fine recreational area as well as stopping the roaring torrents of water which each year had worn down the river course along the valley to a point where it was impossible to raise

the water to adjacent lands for irrigation.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. TAFT. Mr. President, I can yield only 5 minutes more to the Senator, retaining 20 minutes for debate on the motion.

Mr. ROBERTSON of Wyoming. Over a period of years three irrigation districts were developed on the project—No. 1, the Garland division, No. 2, the Frannie division, and No. 3, the Willwood division. A fourth, the Heart Mountain division, is in process of being opened to homesteading, and already nearly 100 veterans of World War II have availed themselves of their priorty to establish a home and business. The Heart Mountain division can and will be expanded to allow many additional families to settle there. Over 500 veterans made application for the first units, and many more have expressed interest in the next opening.

A fifth division, Oregon Basin, is still in the planning state. The water is there, and the main ditch is partly constructed. Let us see that the final planning work on this division is provided with funds now to enable the Bureau to start the actual blueprints for construction of the necessary irrigation works.

In 1912 the floodgates of the dam were closed and the reservoir was allowed to fill up. An unusually heavy run-off, as the result of deep snow in the higher mountains and spring rains, filled the reservoir to the spillway level by August. Each year since that time the reservoir, fills to overflowing by late May or early June. The town of Cody has started an annual guessing contest in which purchasers of tickets guess the date and time on which water will flow over the spillway. This contest, though highly profitable to the winners and the charitable organizations it supports, is symbolic of the meaning of this great project to the entire community. When the reservoir is full the farmers know that their crops are secure and the quiet, clear waters of the North Fork and South Fork of the Shoshone River stored in the reservoir are like money in the bank to all the enterprises which depend upon this life-giving gift of nature.

This dam and reservoir are named for William F. Cody, "Buffalo Bill," founder of the town of Cody and one of the early settlers of the region, who was instrumental in arranging for the project. I am proud to have been the sponsor of the bill introduced last year and enacted into law to change the name from Shoshone to Buffalo Bill Dam and Reservoir. "Buffalo Bill" voluntarily relinquished his water rights on the land in order that the project could be started.

Today—40 years after this farsighted project was undertaken—the four highly productive districts under cultivation on the project are eloquent testimony of the soundness of planning behind this development. What was wasteland now has become a veritable garden spot—an oasis in the desert. Through all the disturbing fluctuations in our economy—world war, depressions, drought, and crop infestation—this project maintained a fine record of repayment. The operating costs and water-use charges are being met as they come due.

In the center of the Shoshone project the Bureau of Reclamation located its headquarters for the operation, and a townsite was laid out which is today the thriving community of Powell, with a population of well over 3,000. It is the very heart of the community, consisting of sound businesses, providing goods and services for the thousands of settlers, employees, and other residents of the project. Growing up with the project, Powell has been able to keep abreast of the needs of its people by steady development of its schools, churches, civic and social and veterans' organizations, and its many business activities. A branch of the State university has recently been established in Powell, and enrollment is mounting steadily.

Through the consolidation of schools and the utilization of modern busses, a central school system has been provided which brings to hundreds of rural children the advantages of large-city schools, with adequate teachers, splendid recreational facilities, and economical administration.

It is in such localities that the school hot-lunch program is of great benefit. Many of the youngsters come long distances to school and would otherwise have to eat a dry, cold lunch packed at home.

Here is a town that might well serve as a model for any American community. There is a fine water system, and low-cost electricity is provided by the reclamation project.

Thoughtful planning of wide streets, parks, and playgrounds makes the town a pleasant place to live. There are none of the slums and other undesirable sections found in many industrial centers.

There is no problem of juvenile delinquency. The irrigated farm home is a cooperative enterprise, with each member of the family making his or her contribution to the all-out effort to make the land productive. There is a satisfaction in such hard work, for the rewards are more than material. When the crops are all in and the root cellars are bulging with stored fruits and vegetables, the neighbors gather at the county fair in Powell to compare the fruits of their labor. Competing in friendly rivalry for valuable prizes, they exchange ideas, relax for awhile, and reflect upon the goodness of nature.

Adjacent to the town is a spur railroad, and beside it the grain and bean elevators and warehouses where the local merchants buy from the farmers and store the farm produce for processing and shipment. From a few miles away the tractor fuel and other petroleum products necessary for farming are brought from refineries at Cody. Nearby also are many sawmills, producing low-cost timbers and lumber so essential to farming and building. Natural gas is available from the same oil fields which produce the petroleum products; also coal is mined on a small scale.

These are the components of the town which form the heart of the project, but they are typical of the other small towns which are the trading centers for other divisions of the project—such towns as Frannie, Ralston, Garland, and Deaver. The last-mentioned town is located on the main line of the Burlington Railroad, within a few miles of the other sections served by the spur line. Here a prisoner-of-war camp was operated during the war, using old barracks formerly occupied by a Civilian Conservation Corps group engaged in supplemental reclamation and drainage work during the depression years of the thirties.

After the Frannie and Garland divisions had been in operation for a number of years, the Willwood division was opened, with homesteaders entering the project between 1927–38. This division, like the others, will bear its proportionate share of the total construction costs. As is the custom, the division is operating on a water-rental basis pending establishment of a definite repayment schedule.

Like the other projects, this land was until a few years ago only used for limited grazing, and because of extremely arid conditions, most of it was only of limited use for that purpose. From my knowledge of land values I would say that without water it was not worth 50 cents an acre, and it would take at least 50 acres to carry a cow 1 year with the natural forage upon it. Today this irrigated land is worth from $50 to $150 an acre, and it is very difficult to buy any land on the project.

An idea of the relative value of irrigated and nonirrigated land in the arid sections of the West can be gained from the findings of two Bureau of Reclamation land surveys conducted in the Columbia River Basin. The first survey was designed to find out the per-acre value of lands potentially irrigable, but without any water at present. The survey showed that owners valued their arid lands at $2 to $25 per acre. A second survey, made to determine the value of irrigated lands which might have to be sold under excess land provisions, revealed that the owners valued these lands at between $150 and $400 an acre.

Now that the Heart Mountain division has been opened for settlement, by veterans of World War II, the Shoshone project is becoming a compact economic unit, with a variety of crops and enterprises which form a valuable supplement to the other ranching and industrial enterprises of the region. The power line from the project has been linked with other reclamation projects in the State, and with a supplemental power plant now under construction will provide an adequate power supply wherever electricity is required. Rural electrification cooperatives and some private concerns have extended distribution lines from the bus bars at the power station to bring electricity to hundreds of rural homes formerly unlighted except by kerosene lamps or other primitive means.

I have attempted in the past few minutes to give a general description of how the various phases of such a project are interrelated, and how they form a logical complement to the natural resources of the West. I hope I have illustrated the absolute necessity for adequate refundable appropriation from Federal funds for financing such construction.

Another example worthy of mention is the Tieton division of the Yakima reclamation project in the State of Washington. It, too, started out as vacant, sagebrush land. Recently there was a celebration of the Tieton water users to mark full repayment of the Government appropriations made for the project construction costs. In less than 30 years the entire Federal expenditure was paid back, dollar for dollar. But the returns to the Federal Treasury from the project were far greater. The cost was $3,584,027, which amount was repaid, but in addition the same people, that is, the settlers on the project, paid more than $13,000,000 in Federal income taxes during the period. There are estimates which show that the income-tax payments on the other similar projects are equally as impressive, and that construction costs are being paid back four times over in income taxes in addition to the actual refunding in cash of the original appropriation.

Since the beginning of reclamation, $352,400,000 has been spent in completing irrigation units. Not only has a portion of that amount been repaid, with the balance to be paid back in an orderly schedule over a period of years, but in addition, Federal income taxes from lands watered by these completed units and from cities entirely encompassed and surrounded by them has amounted to $900,000,000 in income to the Federal Treasury. While the Congress was appropriating this $350,000,000, it also appropriated $4,162,153,571 for flood control and inland waterways projects, in various States, without a single cent of it being required in repayment. In other words, this $4,000,000,000 plus is not, and cannot, and will not, be paid back.

Last spring, as many Senators will recall, the Senate, in less than half an hour approved projects for rivers and harbors and flood control in the amount of $1,800,000,000. It took less than half an hour to approve this amount. Not one penny of this $1,800,000,000 will be returned to the Treasury.

A moment ago I mentioned some $4,000,000,000 in nonrepayable contributions that had been made to various States of the Union. The major portion of this comes under rivers and harbors and flood control. I may point out that one State has received an amount in excess of $360,000,000. The amounts range from that figure downward to two States—Wyoming and Utah—neither of which has ever received one dollar in nonrepayable contributions of this type. I point out these figures simply to show the scope of this false economy. Had one-half of the money expended in these nonrepayable contributions been appropriated for the Bureau of Reclamation, the entire reclamation program for the United States could be completed and every penny of the original appropriation would be returned to the United States Treasury, plus approximately four times that amount in increased revenue to the Treasury from Federal income taxes.

I may also remind the Senate that the cash value of crops produced on the 62 reclamation projects operating in the West during 1946 totaled $502,000,000—a figure equal to about half the Federal Government's total expenditures for reclamation in 45 years.

Let us not be so short-sighted as to imagine that this development can be put off from year to year and then suddenly be pushed to completion in a moment of need or a period of magnanimous generosity of the Congress. These very resources now crying for development and utilization are being wasted—lost forever—by just such delays.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wyoming has expired.

Mr. MORSE. Mr. President, I shall be glad to extend to the Senator from Wyoming 5 minutes of my time.

Mr. ROBERTSON of Wyoming. I thank the Senator from Oregon.

The repayment contracts providing for annual payments on construction charges are written and executed in accord with the laws that govern that particular project or unit, and contain various types of repayment plans covering different periods of time.

The Shoshone project, for example, has one repayment plan in effect for two divisions, and another for a third. The Garland and Frannie divisions are making repayment under the act of December 5, 1924, Forty-third Statutes, 672, which provided for a plan of payment based on 5 percent of the average gross crop value in a district for a 10-year period. These payments, as a general rule, will run for a long term of years. Authority for this type of contract was repealed in 1926.

The Willwood division is organized under the act of August 13, 1941, Thirty-eighth Statutes, 686. As the lands were opened for reclamation homesteading, the entry men pledged themselves to pay a certain construction charge per acre in 20 graduated annual installments upon completion of the division, or to assist in organizing an irrigation district, which would assume the obligation to pay the entire cost of construction in 40 years. The Willwood irrigation district was formed in 1943, and a repayment contract is being prepared to arrange for the repayment of the $1,355,738 in construction costs allocated to the division as its share of the project total.

The original Reclamation Act of June 17, 1902, Thirty-second Statutes, 388, authorized the issuance of water-right applications by which individual water users contracted to repay their portion of the construction cost of a project in a period of 10 years. The repayment period under this law was prohibitive for many projects, so subsequent acts were passed to extend the repayment period and liberalize contract terms, but each new law specified that all construction costs had to be repaid.

The act of February 21, 1911, Thirty-sixth Statutes, 925, commonly known as the Warren Act, provided for the disposition of surplus water to individuals or irrigation enterprises outside Government reclamation projects, on terms determined to be just and equitable. The terms of payment now usually run from 10 to 40 years.

When the Omnibus Adjustment Act of May 25, 1926, Forty-fourth Statutes, 636, was passed, authorizing a 40-year repayment period in place of the crop-repayment plan, most subsequent projects were organized under this act. Some old contracts were renegotiated under this act.

Flexibility in determining the annual rate of repayment for new contracts is provided in the Reclamation Project Act of 1939, Fifty-third Statutes, 1187, again on a crop-income basis, but total repayment must be made in 40 years for distribution systems. A development period of not to exceed 10 years may be established, from the time water is delivered, before payment of construction charges commences. During this development period water users pay for water on a rental basis.

That the water users are meeting their obligations is clear from the current repayment figures. A total of $76,645,081 had become due on June 30, 1946, and $74,443,243 of this amount, or 97.1 percent, had been paid. In the 6 months following the end of the fiscal year an additional $395,430 was paid, raising the total to 97.6 percent.

I referred a moment ago to the Tieton division, Yakima project, Washington, as having been one of the first to pay out. In addition payment has been made in full for two dams, the Laguna Dam, Yuma project, Arizona-California, and Jackson Lake Dam in Wyoming, Minidoka project, Idaho. The total obligation to the United States for these two dams and the Tieton division was $5,549,063. There are 80 contracts refunded in full, most of them having been made under the Warren Act of 1911. Several hundred individual water-right applicants have also completed construction payments.

Fourteen projects are 50 percent paid out and 38 districts or groups will be paid out between now and 1967. The total amount of contracted construction obligation on these projects is $47,147,916. The total refundable amount due and paid to June 30, 1946, is $32,879,895, making these projects 69.7 paid out. From 1948 to 1952 five of these projects will pay out. As of June 30, 1946, they are 94.5 percent complete in their payments.

During the 4-year period 1953-57 six projects will pay out. These projects are 90.4 percent paid.

During the period of 1958 to 1962, 12 projects will pay out. They are now 60.5 percent paid.

During the period of 1963 to 1967, 15 projects will pay out. They are now 60.1 percent completed. The following projects or units are 50 percent paid out: Yuma, reservation and Bard divisions; Minidoka, Gravity division; North Platte, storage division; Yuma, auxiliary; Yakima, Sunnyside division; Yuma, valley division; Minidoka, south side division; Minidoka, American Falls Reservoir; Klamath, main division; Newlands; Salt River; Sun River, Fort Shaw division; Strawberry Valley; Rio Grande.

The total contracted obligation of these projects is $58,623,526.

Among the other projects now paying out and in good financial condition are: Baker; Boise, Black Canyon Dam; Boise, Notus division; Burnt River; Deschutes,

central Oregon irrigation district; Fruitgrowers Dam; Grand Valley, Gravity; Grand Valley, Orchard Mesa irrigation district; Humboldt; Huntley; Klamath, Langell Valley division; Klamath, main division; Lower Yellowstone; Minidoka, American Falls Dam; Minidoka, Gooding division; Minidoka, south side division; Minidoka, Upper Snake River; Moon Lake; Newlands; North Platte, Fort Laramie division; Ogden River; Owyhee, Owyhee Ditch Co.; Rio Grande; Salt River; Shoshone, Garland division; Strawberry Valley; Sun River, Fort Shaw division; Sun River, Greenfields division; Truckee storage; Umatilla, Stanfield irrigation district; Riverton; Weber River; Yakima, Kittitas reclamation district; Yakima, Roza-Terrace Heights irrigation district; Yakima, storage division; Yuma, Mesa division.

The total contracted obligation of these projects which are current in their payments to the United States amounts to $126,374,741.

Mr. President, I have tried to show the Senate the great value of these reclamation projects in the semiarid and arid areas of the West, but more than that I have tried to show the Senate how every dollar appropriated for reclamation projects is returned to the Federal Treasury by the settlers on those projects. The West is immensely proud of its record of repayment. They do not ask or seek charity—they do not intend to do so in the future. All they are asking is that a portion of the money collected from them in taxes be loaned to them so that they can continue their development. I do not know of a sounder business proposition than the refundable reclamation loan, for that is what a reclamation appropriation is. I feel that it is important, and I have so suggested to the chairman of the Appropriations Committee dealing with the Interior Department's appropriations that refundable appropriations should be separated from other appropriations so that when the House and the Senate consider these loans they will realize that they are loaning funds which will be returned in cash in full to the United States Treasury.

I am sure that when the Senate Appropriations Committee considers these reclamation refundable appropriations, they will do so with a knowledge that here is one of the greatest investments that the United States has ever made.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield to the Senator from Ohio.

Mr. BRICKER. Mr. President, I learned of these irrigation and reclamation projects largely from the Senator from Wyoming. I want to thank him for what he has said, and to commend him for the support he has given to these developments. It is not alone an expenditure of Government funds that is involved, but also wealth-creating resources, for the money expended will all be recaptured many times over, I understand from the remarks of the distinguished Senator.

Mr. ROBERTSON of Wyoming. The Senator is absolutely correct. Not only will the money be recaptured, but the initial cost of construction of dams, ditches, and irrigation works will be repaid by the settlers on the projects.

Mr. BRICKER. Many people of the Central West from which I come do not fully appreciate the creative value of these expenditures; and I want to express my appreciation to the Senator.

Mr. IVES. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield to the Senator from New York.

Mr. IVES. I wish to concur in the remarks made by the junior Senator from Ohio [Mr. BRICKER]. I was very much impressed with what the Senator had to say concerning the value to the country as a whole of these projects. The Senator from Ohio spoke of the Central West. In the East there is not a sufficient appreciation of the great value which these projects add to the whole country, and especially to us, I might say. I wish to commend the Senator for the presentation which he is making.

Mr. ROBERTSON of Wyoming. I thank the Senator from New York.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ROBERTSON of Wyoming. I yield to the Senator from North Dakota.

Mr. YOUNG. I also want to commend the junior Senator from Wyoming on his remarks regarding this vital subject now before Congress. I recently returned from a trip to Spokane where I was a speaker at the national convention of REA cooperatives. I found a feeling of dismay in the Pacific Northwest because of the cuts made by the House in reclamation appropriations. If the Senate of the United States really knew the feeling of the people of the West toward reclamation, I would have no fear about the appropriations now before the Senate. The great new wealth these projects make possible in the West together with this record of repayment to the United States Treasury surely should cause this Senate to act favorably on the pending reclamation appropriation.

Mr. ROBERTSON of Wyoming. I thank the Senator from North Dakota.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wyoming has again expired.

Mr. MORSE. Mr. President, I wish to say that the speeches this morning in support of reclamation are music to my ears. I fully expect the Republican leadership of the Senate to give ample support to our great western projects. The only way we can implement these speeches will be to appropriate the necessary funds so that these projects can be completed in the shortest possible time in order to have the great wealth which will flow from them turn itself into tax dollars, which always accumulate when wealth is created.

I am now very happy to yield 3 minutes to my good friend from Washington [Mr. CAIN].

Mr. CAIN. Mr. President, the junior Senator from the far western State of Washington desires to express his keen appreciation for the reclamation and power observations and statements of fact just offered by the senior Senator from Ohio [Mr. TAFT], the senior Senator from New Hampshire [Mr. BRIDGES], and the junior Senator from Wyoming [Mr. ROBERTSON], together with the other Senators who have spoken briefly.

It has recently been stated from public platforms in the West, particularly in the State of Washington, that Eastern States and interests are conspiring to retard and injure the progress and development of the West. It has been further claimed that the Republican Party is disinclined to encourage and provide for western reclamation projects and power generation. I have considered these public utterances of false prophets to be malicious, totally untrue, and viciously inspired. No portion of my experience in this body has given me any reason to be suspicious or doubtful of the motives of my eastern colleagues, nor have I any possible cause to doubt the intention and the desire of the Republican Party, of which I am an enthusiastic and happy member, to create new avenues and fields of opportunity for all Americans.

It is good to be in this Chamber and to hear Senators who are not westerners talk about what the progress of the West means to the future of the East and to the United States in its entirety. I think their spoken contributions make good, hard, American common sense. They have defined the need for national cooperation and unity of purpose. It will not be easy to achiev what we have in mind for the development of Western States, but no western Senator or Representative can ask for more than an opportunity to be heard by sympathetic colleagues.

Mr. BALDWIN. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Connecticut?

Mr. MORSE. I yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, I could not help but rise when my colleague from the State of Washington referred to the East, and particularly to New England, which, of course, is a part of the East. Back in the old days it used to be a tradition in Connecticut that the farmers put the noses of the sheep and cattle to the grindstone to sharpen them so that they could get down and eat the grass which grew between the rocks in our section of the country. I want to say to the Senator from Washington—he has been kind enough to allude to it, so that I may say it in all sincerity—that the people of the East are aware of the problems of the West. We are immediately interested in them, and we believe that these self-liquidating projects are worthy subjects of attention and appropriations at the hands of the Congress.

I may say, too, that we are interested, in the first place, because, from our past history, we know the hardships of farming, although in the West it is conducted on an entirely different basis and scale. We are also interested in the appropriation and use of money for a project which eventually will return the money to the people or to the lender with interest. That, too, is something that pleases any New Englander.

So I wish to thank the Senators from the West—the junior Senator from Washington and the junior Senator from Wyoming—for their discussion of this

all-important subject. I wish to say to the junior Senator from Wyoming that I am quite sure not a great number of the people of my State understand these reclamation projects; so I am glad he has made his splendid address on the subject, and I hope our folks back home will read it. I shall do my best to see to it that they do.

Mr. MORSE. Mr. President, I yield 10 minutes to the senior Senator from Wyoming [Mr. O'MAHONEY].

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized for 10 minutes.

Mr. O'MAHONEY. Mr. President, as one of the representatives of a great western State, I am particularly happy this morning to find so many of the Senators on the other side of the aisle come to the defense of reclamation. It needs it, Mr. President, if the record which has been made in the other branch of Congress and the record which has been made in the Senate are to be regarded as a basis on which to form a judgment.

The Senator from Ohio [Mr. TAFT] has correctly called attention to the fact that the reclamation law was sponsored by the administration of Theodore Roosevelt. Unfortunately, however, under the administration of succeeding Republican Presidents, reclamation in the West fell into disregard at the hands of the administration in Washington. I can speak from experience, because I can paint the picture of the record in the projects which were built in the State of Wyoming itself. The great Shoshone project, to which my colleague has so correctly referred this morning, was initiated in the early days of the Theodore Roosevelt program. In the case of another project, known as the North Platte, the upper fringe of it, so to speak, was in the State of Wyoming; and it and the Riverton project were initiated in the early days of the program. But thereafter the waters of Wyoming were permitted to flow into the surrounding States; and under the Republican Presidents who succeeded Mr. Roosevelt, nothing was done to reclaim those lands. My predecessor, the late Senator Kendrick, labored diligently throughout the administrations of Presidents Harding and Coolidge to secure an appropriation for the construction of the Casper-Alcova project, a project which now bears his name. No Republican administration would support such an expenditure. His requests were denied as often as they were made; and it was not until the administration of Franklin D. Roosevelt began that he was able to secure the authorization and the construction of that great project in the center of my State.

Mr. President, the truth of the matter is that the golden era of reclamation began when the administration of Franklin D. Roosevelt began.

In the appropriation bill which has been acted upon by the House of Representatives, we have clear evidence of the intention to stop the expansion of reclamation. That evidence can be based upon several specific facts. First of all, the bill as reported by the House committee reduced to $125,000 the President's recommendation of $5,000,000 for the investigation of future projects. It is perfectly obvious that with only $125,000 for the purpose of pursuing investigations for the development of future reclamation projects, it will be absolutely impossible to initiate the great projects in the West which must be initiated if the water resources of the West are to be utilized. The great Colorado River, on which four great upper basin States are dependent, cannot be developed unless funds are expended in the preparation of new projects; and unless that is done, we shall be compelled to see those waters flow by our doors down into the Gulf of Mexico.

Mr. President, another point which I should like to make is with respect to the misuse of figures which have been presented in the House committee report. We are told—and I have noticed that the statement has been given out to the press of the country—that there is a tremendous sum of money available for construction in 1948 as a result of the action of the House of Representatives upon the appropriation bill. We are told that there was a carry-over of $88,895,108 as a result of the freeze order of the President. So it is said, in defense of what has been done, "Why, we are only doing what the President did." But, Mr. President, of the $88,000,000 which is an unexpended carry-over, more than $33,000,000 has already been obligated for construction work already performed, so it is not available for work in 1948. Furthermore, more than $7,000,000 of that sum has been set aside for work on drainage in 1948, not upon the construction of any project.

The fact of the matter is that when the carry-over, unexpended and unobligated, which is $44,741,000, is added to the appropriation of $55,000,000 allowed in the committee report, there is a total of $99,900,000 for construction work in the fiscal year 1948, instead of one-hundred-and-forty-four-million-one-hundred-odd-thousand dollars, as reported by the committee.

But that is not the whole story, Mr. President. I am happy that western Senators on the Republican side of the aisle now are endeavoring to call the attention of their colleagues to the necessity of standing behind those of us who are working for the development of the West; but I wish to show the Senate today that the report which came from the House committee will eventually destroy the reclamation fund, and that it was intended by those who reported that bill to reduce the amount of money which would be available in the future for the development of reclamation.

Under the original act of 1902, the reclamation fund was a revolving fund derived from the proceeds of the sale of public lands. The sale of public lands in the early days produced annually rather large sums of money. Sometimes those sales amounted to $7,000,000 or $8,000,000 or $9,000,000 in a fiscal year. But as the West was settled, the receipts from the sale of public lands gradually fell off, until in recent years, for the past 20 years, the average has been scarcely $100,000 a year. So the reclamation fund was not sufficient to permit the construction of the projects which would develop the great western resources which must be developed if we are to provide homes for returning veterans and if we are to provide the electric power which will develop the mineral resources of the West.

So back in 1920 Congress passed the General Leasing Act. I am happy to give credit to my predecessor in the Senate, the late Senator John B. Kendrick, for the inclusion in that law of a provision to the effect that 52½ percent of all the royalties derived from the leasing of the public domain should go into the reclamation fund, to build up the great reclamation projects; that 32½ percent should go to the States in which oil and other minerals were developed, in lieu of taxation upon the projects, for the purpose of building roads and maintaining schools; that 10 percent should go into the Treasury of the United States for administration.

Mr. President, the junior Senator from Missouri [Mr. KEM], who is now presiding over the Senate, was one of those who participated in the early development of the oil lands of Wyoming under the Mineral Leasing Act, and he has very complete knowledge about the subject I am discussing.

Under the leasing act there has been paid into the reclamation fund, from the passage of the act to the 30th of June 1946, the cumulative amount of $86,793,000.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wyoming has expired.

Mr. MORSE. Mr. President, I should like to grant the Senator more time, but I do not have the time to yield to him. I wonder if the Senator would be willing to continue his remarks after 1 o'clock.

Mr. O'MAHONEY. Unfortunately, I have arranged to take a train at 2 o'clock.

Mr. MORSE. How much time would the Senator desire?

Mr. O'MAHONEY. Can the Senator let me have 3 minutes more?

Mr. MORSE. Very well.

Mr. O'MAHONEY. I thank the Senator.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized for three additional minutes.

Mr. O'MAHONEY. I should like to call attention to the report which the House committee submitted. There was no criticism of this report by any member of the committee. No minority views were submitted upon the part of any Republican Member of the House. If Senators wonder why the Republican Party is being subjected to some attack in the West, I shall explain it. The reason is clear upon the record. Not a single Republican Member of the House of Representatives from east of the Mississippi River voted to sustain the motion to recommit the bill, not one.

Mr. President, that is not the only fact in this connection. When the appropriation bill was before the Senate last year, the distinguished Senator from New Hampshire [Mr. BRIDGES], who is now the chairman of the Committee on Appropriations, demanded a roll call, and the reasons why he demanded a roll call are set forth in these words which he used on the 20th of June 1946:

Mr. BRIDGES. Mr. President, in connection with this particular bill we have just wit-

nessed a very sorry spectacle. The bill is the worst money grab the Senate has enacted for a long time. The House passed a bill cutting down the budget estimates, and making appropriations of $179,426,846. We have restored probably $155,000,000 or more. We have deliberately taken a slap at private enterprise and at economy. We have moved toward the socialization of the electrical industry all along the line. I should like to see a yea-and-nay vote on the bill. Let us put Senators on record.

Mr. President, that is one of the reasons why the feeling is now abroad in the West that the Republican leadership is opposed to the development of reclamation. I hope it is not true, and I welcome the showing which has been made upon the floor here today; but I say, Mr. President, that it will be necessary for the Committee on Appropriations of the Senate to make the record clear by action, and not by fair words, that it is not opposed.

Mr. President, the report of the House committee to which I have referred proposes to take away all general fund appropriations. Listen to the language:

> One important change proposed in the bill is in the method of appropriating for projects heretofore financed with appropriations from the general fund. The bill provides that such projects shall be financed with appropriations from the reclamation fund. This practice is in accordance with the basic reclamation plan which contemplated that all reclamation expenditures should be financed from this special fund derived from the sale of oil, timber, and other products located primarily in the Western States. It is hoped that in the very near future a way can be found to finance all such projects from this fund.

The appropriation for the Geological Survey, a Bureau in the Department of the Interior which administers the leasing of oil lands on the public domain, has been cut from $18,104,900 to $9,113,230. That is a slash of $8,991,670 in one of the most productive bureaus of the entire Government. This is the Bureau which facilitates the drilling for oil upon the public domain. It is being obliged to curtail its services, and at this moment, as I understand, more than 100 employees have already been given notice that their services must be terminated. This notice has been given because under the law the Bureau cannot risk incurring a deficit for the payment of their terminal leave and their annual leave. So, as a result of short-sighted action, we are losing the services of experts in the Bureau which produces the revenue to support the Reclamation Service.

Mr. President, this is not only a western question, it is a national question, because only upon the public domain is it now possible to find any substantial new sources of petroleum. We must stimulate the search for oil in the public-land States if we are to maintain our supply of this most necessary fuel.

This is an item to which, when the committee assembles, I shall invite the attention of all members of the committee without regard to party label. I am hopeful, from the signs given here upon the floor of the Senate this morning, that the Senate will do this year what it did last year, and provide the funds necessary to maintain the essential public services of the Department of the Interior.

Of great importance to the whole Nation is another cut made in the House, a reduction of the appropriation for the Bureau of Mines from $16,834,000 to $10,983,000, a reduction of almost $6,000,000. This is the Bureau which was instructed by the last Congress to undertake the work of developing new sources of mineral supplies not only in the West, but wherever new sources of minerals might be found within the United States. This was done because we drew so heavily upon our mineral deposits during the war that unless we take steps now to replenish the supply we will find ourselves, in case of another crisis, dependent upon foreign sources of supply. Yet the House committee which had charge of the bill was acting on the theory that the Bureau of Mines should be reduced to a shell of itself. I quote from page 24 of the report, under the heading "Metallurgical research and pilot plants":

> The activities being carried on under this item consist of investigations and laboratory tests in connection with the most effective utilization of the mineral resources of the United States and was initiated as a part of the war program. The committee does not believe that the program should be regarded as a permanent activity, and it will review the results of the investigations with a view to eliminating such projects as cannot justify their continuation.

On page 23 of the report the committee points with pride to the fact that it has reduced the appropriation for the development of synthetic liquid fuels from $5,000,000, as recommended by President Truman, to $3,000,000. Here again is a reduction which has been made in complete disregard of the national interest.

Oil, Mr. President, is not only the fuel of war, it is the fuel of industry. As I pointed out a year ago in reporting to the Senate the bill approved by the Committee on Public Lands, and later enacted into law, to stimulate the search for oil on the public domain, the center of gravity of oil production has changed from the United States to the Eastern Hemisphere. The United States is no longer the world's greatest reservoir of oil. So it is essential that we shall take every possible step to make liquid fuel from our huge deposits of coal and our huge deposits of oil shale. This is work upon which the Bureau of Mines is engaged. But the House committee has cut the appropriation by two-fifths.

I could quote item after item in the report showing that a blind desire to reduce the appropriation has been carried out in complete disregard of the effect not only on the West, but the effect upon the entire country. The heaviest cuts have been directed against reclamation and public power, the two primary activities of the Department of the Interior which will create opportunity for new homes for veterans and new business for those who wish to engage in what we politely call "free private enterprise." But war is being waged against public power on every front. I have no hesitation in saying that if this war on public power is continued and the power activities of the Bureau are curtailed, the public interest in the West will suffer.

It is encouraging now to find Republican leadership in the Senate denying any purpose to carry on this war, and giving assurance that a full and free hearing will be accorded those who believe that the productive capital expenditures included in the President's budget should be substantially restored.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

Mr. MORSE. Mr. President, I yield 10 minutes to the Senator from New Mexico [Mr. HATCH].

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized for 10 minutes.

Mr. HATCH. Mr. President, I should like very much to continue the discussion which has been proceeding during the past hour. I yield to no man a greater interest in reclamation and irrigation than I hold, and to no State are they of greater importance than to mine. I should like to take the time to continue the argument that was being made by the Senator from Wyoming. But, Mr. President, the Senator from Oregon has yielded me the time he has accorded, not for the purpose of discussing irrigation or reclamation, but for the purpose of resuming the discussion of the question which now pends before the Senate; that is, the motion of the Senator from Oregon to recommit the pending bill with certain instructions.

Mr. President, I rise to support the motion. I support it for many reasons, some of which I shall not be able to mention in the limited time I have. Nor shall I be able to discuss now, nor shall I attempt to discuss, the merits of the bill, or any of its demerits, or any of the amendments which have been proposed. I am interested in securing some labor legislation, and in that connection I think I may be pardoned if I mention my own record on labor legislation since I have been a Member of the Senate.

Mr. President, I was a member of the Senate Committee on the Judiciary which considered the Smith-Connally bill. I supported that bill in the committee. I voted for it on the floor of the Senate. I voted and spoke in favor of overriding the President's veto.

I supported in the last session and voted for the Case bill. In the last session I moved in the Senate Committee on the Judiciary to report the Hobbs anti-racketeering bill, and on my motion that bill was reported to the Senate. I made the motion in the Senate to take up the bill for consideration.

In company with the Senator from Minnesota [Mr. BALL], and our then colleague, the Senator from Ohio, Mr. Burton, I anticipated, long before the end of the war, that with the end of the war would come labor disturbances and labor differences which would prevent and hinder reconstruction, so I thought that amendments to the labor laws were needed and that a comprehensive labor

bill should be enacted. Therefore, the three of us introduced a bill which was comprehensive in its nature, and far superior, in many respects, to the measure which is now before the Senate.

Mr. President, I mention this merely to show that where I have seen that abuses or evils existed, I was willing to have legislation enacted to correct them, and my support of the pending motion can be in no sense construed as a move to prevent or hinder the enactment of proper legislation.

On the other hand, Mr. President, I supported every bit of legitimate legislation which was favorable to the cause of labor. I mention that only to show that in dealing with this subject I have always tried to keep a fair, open, unbiased and unprejudiced mind, and to vote as I believed to be best for the interests of the whole country, including both labor and management. My position this day is exactly the same.

I know full well, however, what would happen if we passed a bill such as the one now pending, as every other Member of this body knows, no matter on which side of the Chamber he may sit. There is no use deceiving ourselves at all about a difference existing between the executive branch of the Government and the legislative branch. It is well known by Senators that if certain provisions are included in the pending measure, it will inevitably evoke the presidental veto. Senators know full well that in the event of such veto it will not be overriden. What will the Senate do then? We shall have accomplished absolutely nothing. We shall have marched up the hill and then marched right back down again, just as has happened in the past; and the Eightieth Congress will end without any legislation whatever upon this subject.

I make that statement out of a sense of my own responsibility. I have conferred with no one. From my knowledge of existing conditions, I do not feel it necessary to do so. I know full well and I believe every other Senator agrees that if an omnibus bill is passed including provisions against which the President has already spoken he will feel bound to veto it.

The pending motion offers one way of securing legislation by permitting the reporting of separate bills to be considered separately and to be voted on separately. In that manner legislation will be obtained. How much legislation, I do not know; but whatever is done will represent a gain; some progress will have been made. If that is not done nothing will have been accomplished.

It has been said that Senators ought to confer with the President to obtain his views and to ascertain the type of legislation he would be willing to approve. There was legislation suggested, and if the Committee on Labor and Public Welfare, which considered this bill, had been really in earnest about making progress, it could have taken the message delivered by the President to the joint session of the Congress and, regardless of other provisions which the committee wanted, it could have written a bill to include every one of the President's suggestions. There could have been a measure against secondary boycotts, jurisdictional strikes, and a measure covering other matters recommended to Congress by the President in his message. Had the committee really desired to cooperate with the President, a bill along such lines could have been reported, it could have been passed, and sent to the White House at the very beginning of the present session, and it would have been signed. All Senators favored legislation along those lines.

Mr. President, I urge upon Senators that it is not yet too late to take appropriate steps to enact necessary legislation on this subject. It is for that reason that I support the motion by the Senator from Oregon. Let the bill be recommitted; let separate measures be reported to the Senate; let the Senate pass such of the bills as it desires; let the House concur; and let them all be sent to the White House. Then, Mr. President, if there is responsibility, let it rest, not upon the legislative branch of Government but upon the executive branch. Should the President act unwisely in vetoing measures which ought to be signed it will then be his responsibility; and I feel sure he will be willing to carry it. Today the responsibility is ours, if we enact legislation that we know will be vetoed. We cannot foist the responsibility for that on to the President, if we do the very thing which we know will defeat the measure we seek to have enacted.

Those, Mr. President, are my reasons for supporting the motion. If the bill is recommitted, and later four bills are reported, so far as I know I shall vote for every one of them. If that procedure is followed, and the bills are vetoed, I shall vote to override the Presidential veto. But if the omnibus bill, together with pending amendments, is submitted to the Senate for final vote, feeling that it would be accomplishing nothing I shall vote against such a measure. If passed, and vetoed, I shall vote to sustain the Presidential veto.

Mr. MORSE. Mr. President, I yield 8 minutes to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, I dislike to take even these few minutes of the time of this body to discuss my attitude on the pending motion, but I have a deep conviction that agreement to the motion will allow the Senate a better opportunity to put first things first and to pass legislation which I think will be vitally important to the Nation, after June 30. It is for that reason that I speak briefly in support of the motion by the Senator from Oregon.

I call to the attention of Senators the fact that instead of having an agreed-upon, moderate bill, as reported by the committee, upon which we can pass, and which in a general way deals with all features of the troublesome labor problem—instead of having a bill that is reported, accompanied by a statement in the report that the committee worked together diligently on hearings for 5 weeks, and, in writing the bill, for 4 weeks, every member of the committee contributing vitally to the bill as reported, and the further statement that the sentiments and philosophy of the bill represent what the committee as a whole believed was the sound approach to this matter—instead of having such a bill as the recommendation of a committee, we now have amendments, very vital amendments, addressed to various parts of the bill; supported, if Senators please, by members of the committee, and even by the distinguished chairman; which is thoroughly within the rights of both members and chairman. But we do not have an omnibus bill coming here to be approved or disapproved, embodying the majority wisdom of the committee, after its hearings and after its combined efforts to draft such a bill.

Mr. President, in view of the situation as I have described it, and since there are many vital amendments, I think the Senate should go back to fundamentals and recognize the fact that there is a problem in this field, which I think every Senator will agree must be placed ahead of all other problems. That is whether or not, after June 30, the Nation is to have proper and vital legal machinery with which to deal with important disputes affecting the national welfare, in those industries treated under title II of the bill, or rather, under that part of the bill which has to do with national emergencies. When the Smith-Connally law ceases to exist by its terms, on June 30, the Nation expects the Senate, the House, and the President, working together, to have afforded machinery giving some promise of protection to the public. The public interest should be given first importance in the consideration of this matter. We ought to have a chance to deal with it as a matter of first importance. We do not have that chance under the pending bill, and it is for that reason that I am supporting the motion by the distinguished Senator from Oregon. I want to make my position clear. I do not agree with what has been said here by Senators, to the effect that there is not a grave emergency in the field of labor-industry relations. I think there is grave difficulty throughout the Nation, and that we must deal with it effectively.

So far as I am concerned, I stand ready to support every provision of the bill as reported. I expect to do so. If, upon its passage, the bill should draw a Presidential veto, unless something occurs that is not now known to me, I should certainly expect, consistently to stand by my vote, by voting to pass the bill over the Presidential veto.

Mr. President, the matter is not so simple as that. We do not know what will be the effect of all the amendments. We do know that we are not being given a chance to pass upon the single vital question of whether or not there is to be passed emergency legislation giving some sort of machinery to the executive department, with which to handle the problems that will arise in vital industries after June 30.

I conclude by simply calling attention to one fact, that apparently there is no grave discord among Senators with respect to the provisions of title II of the pending bill.

If Senators will read carefully each of the amendments which have been proposed, and I think they comprise

some 8 or 10 amendments, they will find that not a single one of them amends any portion of title II of this bill. In other words, whether Senators agree or disagree with this part of the bill, there is no sniping at it, there is no great effort under way to change any of the provisions of title II. If we be given a chance to divide the measure it will not involve any great delay, because the motion to recommit the bill contains the instruction that it be divided into four parts and reported back by May 2. If the motion prevails we will have a chance to put first things first, and to enact some vital legislation.

I call the Senate's attention to the fact that in the field of emergency legislation the President is on record, and so recommended to the last Congress, as favoring more drastic legislation than that which is now embraced in the provisions of title II.

I think we will be indeed recalcitrant if we overlook the fact that we have here in our hands the opportunity, by breaking the bill down into four parts, to put first things first, and to bring up for passage title II, which deals with situations which may be arising in the coal industry, in the steel industry, in the transportation industry other than railroads, in any of the other vital industries, and which will gravely threaten the economic peace and security of the entire Nation.

In closing I want to call the attention of Senators to the fact that it is generally recognized by the rank and file of labor that labor itself is more hurt when shutdowns occur in vital industries than is any other single group of our citizens, because their work stops, their pay roll stops when their industries are unable to proceed because they cannot have transportation, or because they cannot secure steel, or because they cannot obtain coal, or because of the shortage and the failure and the shutdown in any of the comparatively few vital industries. So it is an absurd thing for us to try to put in one basket shoelaces and coal, because they are of such tremendously different importance to the people of the Nation and to every community of the Nation.

Mr. President, I hope the motion will prevail, so we may adopt a common sense method of dealing first with the emergency legislation and helping the President by giving him something through which he can protect the people of this Nation after June 30 of this year.

Mr. MORSE. Mr. President, I yield 3 minutes to the Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. Mr. President, we all agree that at the present time we are facing a delicate situation. We realize that the situation is delicate because there are probably many persons who will try to go farther than the President wants to go. We may as well face that fact. If we want any legislation, we must vote for the motion to recommit, because if labor legislation is enacted in the form of an omnibus bill, I predict that the President will veto it. I also believe that the greater the number of provisions placed in the bill the greater will be the number of votes in the Senate to sustain the President's veto.

Mr. President, I do not want to punish labor for the misdeeds of some labor leaders. I hope all Senators feel the same way. There are, however, certain practices which must be curbed, such as violations of agreements made by labor, but in curbing them we must not go too far by attaching amendments to the bill. If amendments to the omnibus bill are adopted, I believe it will be found, when the bill comes to passage, that many Members of this body will not want to vote for it, although it may contain many desirable provisions. It would be like putting rotten apples into a basket of good apples, with the inevitable result that the whole basket of apples would be ruined in a short time.

Mr. President, I also warn the Senate and the Nation that, if we now try to go too far in penalizing labor, we shall find a sharp reaction on the part of those who earn their living by the sweat of their brows. We shall find that they will rise up in opposition not only in a political way but also by refusing to work, and that, instead of benefits accruing from the passage of the legislation, it will kill the goose that laid the golden egg. Passage of such legislation will also do great injury to capital and to the Nation as a whole.

Mr. President, for that reason, and for many other reasons which, if time permitted, I should like to call to the attention of the Senate, I shall vote to recommit the bill, hoping that it will be brought back as requested by the Senator from Oregon, not as one omnibus bill but at least as four bills, so that we can vote for the things we want and vote against the things we do not want. I believe that as Senators we have that right and privilege.

Mr. TAFT. Mr. President, I yield 5 minutes to the Senator from New York [Mr. IVES].

Mr. IVES. Mr. President, the other day, speaking on this subject, I indicated very strongly that the particular subject matters contained in the one omnibus bill should be divided into four bills as now proposed. I do not think there is any question that, in the consideration of this legislation, it should be considered in that manner.

However, in my remarks at that time I did not point out one or two other things. In the first place, in our efforts in the committee to work out a coordinated and integrated program of legislation we moved from among the various bills under consideration by us at that time those portions which belong under certain titles and certain sections amending certain acts and statutes as they now exist, into those titles and into those sections where they properly belong.

For instance, all matters presumably amending the Labor Relations Act were placed as amendments to that act, and not scattered around and placed also in other statutes. So again in dealing with the Mediation Service, and so in the consideration of the other matters of amendment. Consequently the bill before the Senate is a thoroughly coordinated and integrated piece of legislation. Every part is where it properly belongs. That is the first and most important matter of concern to us at this time.

From the standpoint of our consideration I again say it would be better to have four bills. There seems to be no argument about that. But the matter of consideration, it so happens, is not one for our determination alone. We ourselves must have regard for the position taken by the House. When this legislation is passed by the Senate, and I sincerely hope we shall pass legislation of a truly constructive nature, it will still contain some marked differences from the legislation already passed by the House. How we are going to get together with the House, operating as we would be with several bills if this motion should prevail, while the legislation passed by the House is in single omnibus form, is quite beyond my comprehension. What I fear in this instance is that, instead of obtaining legislation which we are really seeking as a result of the impasse arising, we might easily wind up with no legislation at all being passed and sent to the President by the Congress. That, Mr. President, to my way of thinking is even worse than sending legislation to the President and having it vetoed.

Our job, as I see it, is to pass constructive legislation. It is our job to work out a program, not only in one House or in the other House, but between the two Houses, so that out of this program we can have enacted legislation which is needed.

Insofar as the several parts of the bill are concerned, I reserve the right to object here and there where changes may be proposed. My attitude toward the substance of the measure has nothing to do with my position on the pending motion. This is a matter of tactics and strategy, decided in the first instance by the House of Representatives, and concurred in by the Senate conference of my own party. For these reasons I shall go along with the omnibus bill.

Mr. TAFT. Mr. President, the proposal is to divide the bill into four bills. That certainly is completely contrary to the usual procedure of the Senate in matters of this kind; and the burden of proof is certainly on those who advocate dividing the bill into four parts.

In the first place, as the Senater in charge of the bill and as chairman of the committee, it seems to me that it is a very much shorter and simpler procedure to put one bill through the Senate than it would be to put four bills through the Senate. We have already seen a flood of oratory on this bill. Everything that has been said could be said all over again on bill number two. Everything that has been said could be said all over again on bill number three. In my opinion it would require a week longer to handle the subject in that manner than to handle it as one bill.

In the second place, the subjects embraced in the bill are all closely interrelated. They are not different subjects.

The bill is called an omnibus bill because all the provisions dealing with the subject are in one bill. However, the problems are all interrelated. As I stated the other day, they all have to do with collective-bargaining agreements

between employer and employee. That is the predominating subject in all the titles of the bill and throughout all the provisions of the bill.

Title I, in which we amend every section of the Wagner Act, is primarily devoted to the purpose of securing collective-bargaining agreements between employer and employee, and protecting the rights of employees to make such agreements.

What is the purpose of the mediation provision? The mediation title is for the purpose of setting up machinery to encourage and bring about collective bargaining agreements between the employer and the employee. The second part of that title provides that if mediation is not successful and a strike occurs in a Nation-wide industry, an injunction may be obtained for 60 days—for what purpose? In order to permit the Mediation Service to make further efforts to obtain a collective bargaining agreement between the employers and the employees. At the end of that time a vote is taken for the purpose of determining whether the employees want to make a collective bargaining agreement.

Finally, we have a provision in title III for bringing a lawsuit for breach of contract. Breach of what kind of contract? Breach of contract for collective bargaining.

Title IV establishes a commission to study all problems of labor relations. That title could be separated from the bill. It is more or less immaterial whether it is in the bill or not, but there is no objection to including it in the bill.

The major subjects with which we have dealt could be dealt with separately, or they could be dealt with in one title or another. Take the question of the closed shop. We could have a separate title on the closed shop, without mentioning the Wagner Act. It so happens that we have put it in the provisions dealing with the Wagner Act, because there is a proviso which has existed for a good many years. However, it has no direct relation to the Wagner Act, and it could be handled in an entirely separate bill. In fact, when the proposal was first made it was in a separate bill.

We could have handled the question of Nation-wide bargaining as the House handled it, as an entirely separate matter, making it a conspiracy under the Sherman Act to enter into Nation-wide bargaining. It could be handled as an amendment to the Sherman Act, something entirely different from the Wagner Act. Insofar as we propose to deal with it in title II, it is proposed to put it in the Wagner Act provision.

Take the case of the union filing reports. We could have a separate provision. The Senator from Virginia [Mr. BYRD] introduced a separate bill requiring unions to file financial reports with their members and with the Secretary of Labor. The subject could be handled in a separate bill. We chose to put it in the Wagner Act provision, as a condition of certification.

The various subjects are inextricably mixed. There is no subject difference between the various provisions of the bill. The bill proposes to put the provisions regarding secondary boycotts and jurisdictional strikes in the Wagner Act. The amendment we shall offer proposes to make them separate. The House provided a separate remedy, outside the Wagner Act, against that type of strike.

These subjects are so intertwined that there would be constant debate. If we are to amend one bill by something that is in another bill in different form, we shall become so confused, if we handle the subject through four separate bills, that I think my estimate of an additional week required to handle the question in that manner is a very reasonable estimate.

There is no reason for it, except one, and that is a political reason. It is said that it is a political move to combine everything in a single bill. The political move is to separate the bill. The political move is to try to separate it so as to give the President the right to select among three or four different proposals and take one and not the other, although they are intimately related.

I cannot speculate as to what the President will veto and what he will not veto. I do not know how anyone can speculate. If we examine his veto message last year in respect to the Case bill, we find that he made five separate objections, which are just as much objections to the provisions of this bill. Some of them apply to title I, some to title II, and some to title III. I am very hopeful that the President has changed his position. I think he has changed his position. I believe that his experience with the coal strike and the difficulties which he has had has very much changed his attitude, and I very much hope that he will sign the bill as it is presented to him. However, I see no reason to suppose that he is more likely to make an objection to one title of the bill than to another.

The distinguished Senator from Oregon [Mr. MORSE] advises us that the President is likely to approve the Wagner Act section, and not the others. I would guess the other way. The provisions to which labor makes the most strenuous objections, it seems to me, are in title I. The President might approve title III, with the provision for mediation and the provision for a 60-day injunction, because it is very much like what he himself has done in the coal strike, and what he wanted to obtain in the bill which was presented last year. I do not know. That is mere speculation. I do not see how we can tell.

There are approximately 20 important provisions in this bill. I do not suppose that the President knows today what his position is going to be on any one of them or on the great majority of those 20 different matters. If we are to divide the bill into four bills, we could just as well divide it into 20 bills. We could have a separate bill on the question of the closed shop. We could have a separate bill on the question of Nation-wide bargaining. We could pass 20 bills dealing with this subject piecemeal, but there would be only one purpose in doing so, and that would be to allow the President to select what he likes and reject what he does not like. I have never heard of Congress doing such a thing in my entire legislative experience. There is no reason why matters relating to the same subject should not be developed in a program. If the President has some particular objection to that program, or if there is something that he thinks should come out of it, and he vetoes the bill for that reason alone, Congress can consider whether it will pass the bill over his veto, and whether what he approves amounts to a real legislative program or not. I do not know. Frankly, I do not think I would be satisfied with one of these titles unless at least a substantial part of one of the other titles were included with it.

It is a novel proposal to take a bill embracing a legislative program dealing with collective bargaining and divide it up for the purpose of permitting the President to select this and that and veto other parts of it. I never heard of such a proposal. I think it detracts from the dignity of the United States Senate.

On the question of cooperation, we are just as much involved in cooperation with the House of Representatives, a coordinate legislative body, as in cooperation with the President. The House of Representatives has taken the position that it wants one bill. If we go to conference with three or four bills, what will the House say? If we pass three or four bills and send them to the House, the House will say, "We sent you a comprehensive bill, and we are not going to consider your separate bills. We placed the entire program in one bill and sent it over to you, and we think that cooperation requires that you consider all of our proposal and come back with such amendments as you desire, to be settled in conference." Certainly, if it is simply a matter of cooperation, our first duty, in order to send to the President any bill at all, is to cooperate with the House of Representatives.

I know of no way to tell what the President is going to approve and what he is not going to approve. I see only one course to pursue in this whole proceeding. If we have an amendment to consider, if we have a bill to consider, let us consider whether what we are proposing is fair and just in itself. If it is fair and just, if it corrects a recognized abuse testified to before the committee, if it is a proposal which provides justice as between the employer and the employee, between the labor unions and the public, then it seems to me the Senate should approve it. It seems to me that those of us who desire to present amendments should have the right to have the Senate consider them on their individual merits. If the amendments have merit, we can only assume that the President of the United States will approach the matter from the same point of view from which we approach it.

There are four amendments which will have to be considered before the bill is finally acted upon. So far as those four amendments are concerned, I can see nothing which will make this bill any more objectionable to the President if they are agreed to than if they are not agreed to. I see nothing objectionable in any one of them. There were a great many disputes. Some dozen matters were eliminated from the bill in committee, although I should like to see them in the bill. But when we came to present the amendments to the Senate,

in order not to take the time of the Senate we chose what seemed to be the four most important ones, those which were the most just and to which no reasonable objection could be made. If we pass a bill of that nature, we must assume that the President is not going to veto the bill because of the adoption of those amendments. I do not think we can assume now that he will veto the bill because of title I, title II, title III, or title IV.

So, Mr. President, I ask the Senate to give us the right to continue the procedure which has been initiated, and which I think will bring the most prompt results, and which I believe affords the best opportunity for cooperation with the House of Representatives and, I believe, with the President of the United States.

Mr. MORSE. Mr. President, I yield 5 minutes of my time to the Senator from Utah [Mr. THOMAS], and the remainder of my time to the Senator from Kentucky [Mr. BARKLEY].

Mr. THOMAS of Utah. Mr. President, I was called from a meeting of the Committee on Foreign Relations by a note asking me to come to the Senate and talk for 10 or 15 minutes on the question now pending. When I arrived here, I found that the Senate was discussing reclamation. I should like to spend my time discussing reclamation because I come from the West, but I shall not do that. I shall attempt to do exactly what I was asked to do.

We find ourselves, Mr. President, in exactly the situation which I tried to avoid in the committee; that is, we are spending our time on a parliamentary question when we should be discussing a labor bill which has to do with human rights. I shall support, of course, the motion of the Senator from Oregon [Mr. MORSE], and I shall give one or two reasons why I shall support it.

We are dealing with one of the most complex subjects with which Congress has had to consider in a long time. Involved in the main problem are many separate subjects which have been lumped together in one bill, thereby increasing the difficulty of eliminating abuses.

I should like to illustrate my point by a concrete example. We spent a great deal of time discussing the so-called portal-to-portal pay bill. The simple proposition in regard to the portal-to-portal pay was to bring about legislation which would stop certain legal procedures on that subject and define and limit the jurisdiction of the courts.

I have before me page 4209 of the CONGRESSIONAL RECORD containing the report of the conference committee on House bill 2157, the portal-to-portal bill. The conference report occupies seven full columns of the CONGRESSIONAL RECORD and represents, if agreed to, a new law which contains definition after definition, when the simple purpose of the original bill was to stop certain suits which Congress considered unjust.

In considering and acting upon great questions we often multiply law, multiply definitions, and make things so difficult that it is indeed hard for anyone to follow the congressional intent. Therefore, if we should discuss only one question and pass a law in regard to that one question, probably we would be able to go further.

Let me illustrate the point once more by choosing one from the scores of telegrams in regard to the pending legislation. We have to deal in this bill with Nation-wide collective bargaining, and in section 9 there is a provision with reference to it. It is assumed that in stopping Nation-wide collective bargaining the purpose is to put a curb upon labor. Let me show the Senate the reaction as the result of this telegram from Raphael Weill & Co., San Francisco. I shall read the telegram as an illustration of my point. It reads as follows:

SAN FRANCISCO, CALIF., *April 29, 1947.*

Hon. ELBERT D. THOMAS,
Washington, D. C.:

Section 9 (f) (1) and section 12 (c) of House bill 3020 banning industry-group bargaining would destroy local community-wide bargaining as practiced in the San Francisco Bay area and other northern and central California communities and the industrial relations stability brought about through such community-industry-group bargaining and group agreements. In San Francisco and the bay area alone we have 180 such employer-group contracts covering hundreds of employers and thousands of employees, elimination of which under H. R. 3020, would precipitate a return to the chaotic conditions existing prior to the development of such community-industry-group bargaining and contracts and under which conditions individual employers were at the mercy of strong local labor unions and without any group bargaining power. Under community-industry-group bargaining developed in this area since 1939 it has been possible to match local labor organizations' bargaining powers with the result that employers have not only been able to withstand unreasonable demands of labor but likewise cut down the number of strikes to the advantage of the community as well as organized labor itself; therefore we urge you to do everything you can to protect our community-group bargaining against such destruction threatened by the named provisions in 3020 in any legislation passed by the Senate or coming out of conference by the Senate and House conference committees.

RAPHAEL WEILL & CO.

Mr. President, the point is that here is a group of employers protesting a law which is supposed to curb labor.

The ACTING PRESIDENT pro tempore. The time of the Senator from Utah has expired.

The Senator from Kentucky [Mr. BARKLEY] is recognized for 9 minutes.

Mr. BARKLEY. Mr. President, during the time allotted to me I shall not attempt to discuss the details of the proposed legislation now before the Senate. I shall have time only to discuss very briefly, of course, the motion now before the Senate, which I am supporting.

The Senator from Ohio [Mr. TAFT] practically charged that the motion made by the Senator from Oregon to recommit the pending bill is of a political nature.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I have only 9 minutes.

Mr. TAFT. I shall take only a moment. I simply wish to say that when this matter was debated previously, I was charged with sponsoring a political move. I said that if politics was involved on either side, it was on the other side. That was my statement.

Mr. BARKLEY. In other words, the Senator from Ohio answered the charge made against him by making it against us.

Mr. President, it has been suggested in some quarters that some of those who sponsor this omnibus bill, which has been described by some as the "ominous" bill, desire to have the Congress pass a bill so offensive and so obnoxious that the President will be compelled to veto it. I make no such accusation against any Member of this body or any Member of the other body, which is the coordinate legislative branch of our Government. I do not know what political motives repose in the bosom of any Senator; but I do say that if there is any political motive, by which I mean any motive to gain any partisan or personal advantage by either promoting or opposing the proposed legislation, or by either offering or opposing the motion now under consideration, such motive would be utterly unworthy of any Member of the Senate of the United States.

We are passing through a very critical era, not only in the history of our country but in the history of the entire world. We need not delude ourselves into the belief that the entire world, and especially that part of it with which we do not agree, is not watching what we in the Congress are going to do and also what will be done elsewhere in the Government of the United States with respect to legislation dealing with the rights of labor. I have not time to go into that phase of the matter now, but later I expect to do so, as a result of some of the observations which I made during a recent trip abroad.

Mr. President, in my judgment, the people of the United States are in no mood either to appreciate or to condone political maneuvers in the Senate of the United States, on either side of this aisle, in order that by means of what is or is not done here, someone may gain an advantage in a future election. I am not in a position to say, and I would not intimate, what the President will do in regard to any legislation on this subject which may be sent to him. He had a long record of 10 years in the Senate of the United States, and that record speaks for itself. In his annual message to Congress in January he made recommendations on the subject of labor legislation, and those recommendations speak for themselves. I have no doubt in my own mind that some of the provisions of the proposed legislation now before the Senate meet with the approval of the President. But in view of the expressed desire of all Members of the Senate, without regard to politics, to obtain the enactment of some sort of legislation which we believe to be necessary, as a result of the experience with the Wagner Act and other labor laws, it would be a tragedy if we were to load down those meritorious provisions with others so obnoxious and so objectionable that the President would be required to veto the bill, in the exercise of his own judgment and his own discretion.

I have no doubt that to whatever measure the Congress sends to the President he will give very careful attention and consideration. I have no doubt that he will study it meticulously and carefully and in detail. Moreover, I have no doubt that the President in his heart hopes that the Congress will pass legislation which he can sign and approve, and thus have placed on the statute books of the United States. But I am satisfied that he has courage enough to do what he thinks his duty may require him to do, whenever such legislation reaches him, regardless of the consequences to him or to his political future.

So much, Mr. President, for the political side of this discussion, which I did not inject into it, but which I cannot avoid taking note of.

The Senator from Ohio has said that if four bills were reported by the committee, the result would be endless discussion and delay. The motion requires the committee to report not later than the 2d of May, which is the day after tomorrow. If the committee were to do what I think those who sponsor and support the motion would hope the committee would do, it would report four original bills, and at least two of them, and perhaps three of them, would require only a very brief discussion, and might be accepted generally by the Senate of the United States. But certainly the discussion of all four of them would not consume any more time than it now appears likely may be consumed in the discussion of the omnibus bill which now is before the Senate.

Mr. President, it is perfectly obvious now that there cannot be a final vote on the bill during the present week. How much longer its consideration and discussion will require is a matter of speculation. So I think that if we could simplify these matters, if we could have the committee report to the Senate four bills, any one of two or three of which we might generally agree upon, so as to concentrate the discussion upon the others, that would facilitate the enactment of legislation, instead of delaying its enactment.

The Senator from Ohio objects to giving the President the right to choose, among four bills, which he will approve and which he will disapprove. The Senator also invokes the cooperation of the Senate and the House of Representatives. So far as legislation is concerned, Mr. President, the President of the United States is just as much a legislative quantity in the passage of a law as is either branch of the Congress of the United States.

The ACTING PRESIDENT pro tempore. The time of the Senator from Kentucky has expired.

Mr. BARKLEY. Mr. President in closing let me say that I hope the motion will be adopted, and, if it is adopted, that the committee will promptly report legislation which we can consider upon its merits, without complication and without any chance that nothing whatever will be done in the long run.

Mr. TAFT. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Ohio is recognized for 3 minutes.

Mr. TAFT. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Russell
Butler	Kem	Saltonstall
Byrd	Kilgore	Smith
Cain	Knowland	Sparkman
Capehart	Langer	Stewart
Capper	Lodge	Taft
Chavez	Lucas	Taylor
Connally	McCarran	Thomas, Okla.
Cooper	McCarthy	Thomas, Utah
Cordon	McClellan	Thye
Donnell	McFarland	Tobey
Downey	McGrath	Tydings
Dworshak	McKellar	Umstead
Eastland	McMahon	Vandenberg
Ecton	Magnuson	Wagner
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	Myers	
Hawkes	O'Conor	

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The ACTING PRESIDENT pro tempore. Ninety-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion of the Senator from Oregon, reading as follows:

I move that the pending bill S. 1126 be recommitted to the Committee on Labor and Public Welfare with instructions to report in lieu thereof, on or before Friday, May 2, 1947, four separate bills, as follows:

A bill embracing the language contained in titles I and V of said S. 1126;

A bill embracing the language contained in title II thereof;

A bill embracing the langauge contained in title III thereof; and

A bill embracing the language contained in title IV thereof.

Mr. MORSE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The result was announced—yeas 35, nays 59, as follows:

YEAS—35

Barkley	Langer	O'Mahoney
Chavez	Lucas	Pepper
Downey	McCarran	Russell
Fulbright	McFarland	Sparkman
Green	McGrath	Stewart
Hatch	McMahon	Taylor
Hayden	Magnuson	Thomas, Okla.
Hill	Maybank	Thomas, Utah
Holland	Morse	Tydings
Johnson, Colo.	Murray	Umstead
Johnston, S. C.	Myers	Wagner
Kilgore	O'Conor	

NAYS—59

Baldwin	Butler	Donnell
Ball	Byrd	Dworshak
Brewster	Cain	Eastland
Bricker	Capehart	Ecton
Bridges	Capper	Ellender
Brooks	Connally	Ferguson
Buck	Cooper	Flanders
Bushfield	Cordon	George
Gurney	Malone	Taft
Hawkes	Martin	Thye
Hickenlooper	Millikin	Tobey
Hoey	Moore	Vandenberg
Ives	O'Daniel	Watkins
Jenner	Overton	Wherry
Kem	Reed	White
Knowland	Revercomb	Wiley
Lodge	Robertson, Va.	Williams
McCarthy	Robertson, Wyo.	Wilson
McClellan	Saltonstall	Young
McKellar	Smith	

NOT VOTING—1

Aiken

So Mr. MORSE's motion was rejected.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESILENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON FOREIGN SURPLUS DISPOSAL

A letter from the Secretary of State, transmitting, pursuant to law, the fifth report of th Department of State on the disposal of surplus property in foreign areas (with an accompanying report); to the Committee on Armed Services.

REPORT ON WAR CONTRACT TERMINATIONS AND SETTLEMENTS

A letter from the Secretary of the Treasury, transmitting, pursuant to law, the eleventh quarterly progress report of the Office of Contract Settlement, entitled "War Contract Terminations and Settlements" (with an accompanying report); to the Committee on Armed Services.

REPORT ON SURVEY OF ACCOUNTING SYSTEM OF FEDERAL PUBLIC HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law a report on the survey of the accounting system of the Federal Public Housing Authority for the years ended June 30, 1945, and June 30, 1946 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PROGRESS REPORT OF WAR ASSETS ADMINISTRATION

A letter from the Administrator of the War Assets Administration, transmitting, pursuant to law, the progress report of that Administration for the first quarter of 1947 (with an accompanying report); to the Committee on Armed Services.

REPORT OF THE TEXTILE FOUNDATION

A letter from the Chairman of the Textile Foundation, transmitting the annual report of that organization for the calendar year ended December 31, 1946 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Arizona; to the Committee on Foreign Relations:

"House Joint Resolution 1

"Joint resolution relating to lasting world peace

"Whereas lasting peace is desired by every nation and by all peoples, there is no friend-

ly democracy that would not support any international program capable of effecting and maintaining that great objective.

"Something is preventing international peace-planning instrumentalities from formulating such a program. It is the desire of all sensible people throughout the world to discover the obstruction, and to remove it.

"It is the belief of many that the principal difficulty is the inability of adults to understand ideologies foreign to those of their own persuasion, even those of friendly nations professing democracy and desiring international amity. It is believed also that the most feasible means of correcting this defect is international education for peace, devoted to fostering universal understanding, friendliness, and good will among all nations which believe in the four freedoms and hold the conception of democracy accepted in the United States.

"This end can be effected only by large-scale international educational interchanges in elementary and secondary grades, between the qualified democracies of the United Nations.

"The first practical step toward the accomplishment of this aim must come from an aroused public opinion in the United States crystallized by proper direction. It is the imperative duty of the Federal Government to take the initiative in arousing and directing such public opinion: Therefore be it

"Resolved by the Legislature of the State of Arizona:

"1. The Governor is requested to invite the President and the Congress of the United States to undertake the following several enactments and negotiations, comprising a program to effect permanent world peace by means of international interchanges of students in elementary and secondary schools through reciprocal rotating scholarships, in which no nation shall be invited to participate except members of the United Nations subscribing to the four freedoms and the concept of democracy as defined in the program.

"First. Formulation of a plan of interchange, small scale to begin with and confined to boys; eventually at large scale and to include girls.

"Second. Submission of the proposed plan, together with a draft of a proposed resolution, to the legislatures of each State and Territorial possession of the United States.

"Third. Within a specified time the legislatures to return the proposed plan, accompanied by proposed amendments of the same, and the proposed resolution, adopted in its original or an amended form, to the end that the different suggestions may to the extent feasible be embodied in the proposed plan.

"Fourth. The plan finally developed and adopted by the Chief Executive to be, as far as practicable, a composite of the views and suggestions of the legislatures.

"Fifth. Adoption by the Congress of the plan so developed, in the form of a joint resolution, to be presented by the Department of State to the United Nations secretariat for the consideration of member governments, with a view to having the governments interested interchange, by means of rotating scholarships between the participating nations, students of formative years grades and a proportionate number of teachers

"Sixth. Resulting treaties between the United States and participating nations not to involve the State of Arizona in any expense without the consent of its citizens.

"Passed the house February 19, 1947.

"Passed the senate March 7, 1947.

"Approved by the Governor March 10, 1947."

A concurrent resolution of the Legislature of the State of Arizona; to the Committee on Public Lands:

"Senate Concurrent Memorial 1

"Concurrent memorial requesting Congress to create the Petrified Forest National Park

"To the Congress of the United States:

"Your memorialist respectfully represents:

"Within the boundaries of Navajo and Apache Counties in northeastern Arizona lies an area containing mineralized remains of mesozoic forests, commonly known as the Petrified Forest, and officially designated the Petrified Forest national monument.

"The Petrified Forest consists of six areas called First Forest, Second Forest, Third Forest, Rainbow Forest, Blue Forest, and Black Forest, which together constitute a deposit of petrified wood unequaled in extent, as well as for size of trees and beauty and variety of coloring of logs. Many of the logs measure over 200 feet in length and 7 to 10 feet in diameter.

"In addition to this petrified wood, the Petrified Forest contains an extensive deposit of fossil bones of reptiles which lived during the triassic period of the mesozoic age, and deposits of fossilized cycads and ferns and other plant life preserved in such perfect condition that the seeds pods and almost microscopic fruiting bodies are plainly visible. This field, discovered in comparatively recent years, affords unlimited opportunities for scientific research.

"Thousands of prehistoric petroglyphs are engraved on the sandstone cliffs within the monument, one huge rock alone bearing more than a thousand such symbols. Sites representing the prehistoric periods from basket maker and pit house type to and including Pueblo No. 3 dot the entire area of the Petrified Forest. The Pueblo No. 3 period is represented by the Agate house, a 7-room dwelling constructed of blocks of agatized wood and estimated to be about 800 years old."

A memorial of the House of Representatives of the State of Arizona; to the Committee on Finance:

"House Memorial 6

"Memorial requesting the representatives of the State of Arizona, in the Congress of the United States to support certain legislation beneficial to veterans and others

"To the President and the Congress of the United States:

"Your memorialist respectfully represents:

"There are now pending in the Congress of the United States two certain bills affecting the rights of veterans, prisoners of war, and other persons in territory occupied by the Japanese forces, which are referred to as H. R. 881 and H. R. 1199; and

"This legislation extends to veterans, prisoners of war, and other persons in territory occupied by the Japanese during the war, certain benefits by war of exemption under and in connection with the Internal Revenue Code of the United States; and

"The legislation represented by H. R. 881 and H. R. 1199 will be of material benefit to the veterans and other persons therein throughout the United States as well as in the State of Arizona;

"Wherefore your memorialist, the House of Representatives of the State of Arizona, requests that the representatives of the State of Arizona in the Congress of the United States lend their support toward the passage of those certain bills now pending in Congress designated as H. R. 881 and H. R. 1199.

"Adopted by the house March 20, 1947."

A letter in the nature of a petition from Herbert B. Maw, Governor of the State of Utah, Salt Lake City, Utah, praying for the enactment of legislation extending to the Japanese people the same privileges as are enjoyed by immigrants from other countries; to the Committee on the Judiciary.

A resolution adopted by the State Water Resources Board of the State of California, Sacramento, Calif., favoring adequate appropriations for flood control in California during the year 1948; to the Committee on Appropriations.

A resolution adopted by the National Petroleum Association, Cleveland, Ohio, favoring the enactment of legislation providing for the taxation of nonexempt cooperative business enterprises; to the Committee on Finance.

Resolution adopted by the National Petroleum Association, Cleveland, Ohio, relating to the tax on lubricating oils; to the Committee on Finance.

By Mr. CAPPER:

A petition signed by 350 citizens of Iola, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

PEACE TREATY WITH ITALY

Mr. BROOKS. Mr. President, in the near future the Committee on Foreign Relations will be hearing testimony in regard to the peace treaty with Italy. Recently, in the city of Chicago, Ill., the members of the executive grand council of the grand lodge of the State of Illinois, Order Sons of Italy in America, met, and I have a resolution which was adopted and sent to me by that council, through its president, Mr. George J. Spatuzza. I ask unanimous consent that it be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas the Senate of the United States of America will soon be called upon to consider ratification of the treaties of peace recently signed in Paris, and that one of said treaties is the proposed peace treaty with Italy; and

Whereas it is a universal belief, and justly so, that the world will not be at rest unless and until the peace treaties ratified will be such as to conform with every principle of justice; and

Whereas the proposed treaty with Italy does not sufficiently take into account Italy's contribution to the cause of liberation and her full cooperation with the Allied forces against the common enemy, which contribution and cooperation has been attested by authoritative persons of the various Allied countries; certainly it is a known fact that in the struggle against the common enemy Italy lost over 300,000 in killed alone and suffered billions of dollars in property damage; and

Whereas it is our belief that the proposed treaty of peace with Italy as it now stands imposes upon Italy, among other things, territorial mutilation; demilitarization of her borders, which result in unbearable military servitude of that country to its neighbors; renunciation of colonial possessions in which billions of dollars of the Italian people's money is invested; allotting of a navy, the achievements of which on the side of the Allies wrote a beautiful page in the struggle for democracy; and other military and economic clauses, all of which is contrary to the terms of the Atlantic Charter, which Charter, from its very inception, was looked upon as a most effective instrument to guarantee to mankind a world at peace, and which Charter should be respected and adhered to; and

Whereas it is our sincere belief that in order that justice may ultimately triumph that consideration of the ratification of the peace treaty should be postponed until the European situation shall have been clarified, which undoubtedly will, to some extent at least, be as soon as a treaty of peace with Germany shall have been concluded; and

Whereas the Italians look upon this country to the end that they be accorded a just peace, as this country has at all times championed the cause of justice; be it

Resolved by the executive grand council of the grand lodge of the State of Illinois, Order Sons of Italy in America, meeting at its home office at Chicago, Ill., on the 29th day of March 1947, That we, for and on behalf of the thousands of our members, urge the Senators of our great State, the Honorable SCOTT LUCAS and C. WAYLAND BROOKS, to consider the suspension of the consideration of the peace treaty with Italy until the peace treaty with Germany shall have been concluded, or in the alternative to vote against the ratification of the peace treaty with Italy as it now stands, so that a new treaty may be negotiated, which shall do justice to a cobelligerent, Italy, thereby giving her people reason not only to look to the future with confidence and hope but to believe and be assured that justice does yet prevail in this universe.

GEORGE J. SPATUZZA,
Grand Venerable.

Attest:

N. V. DE FLORIO,
Recording Grand Secretary.

REPORT OF A COMMITTEE

Mr. BUCK, from the Committee on the District of Columbia, to which was referred the bill (S. 629) concerning common-trust funds and to make uniform the law with reference thereto, reported it with amendments, and submitted a report (No. 148) thereon.

RENT CONTROL—INDIVIDUAL VIEWS

Mr. TAYLOR submitted the individual views of himself and Mr. WAGNER, as members of the Committee on Banking and Currency, on the bill (S. 1017) providing for the temporary continuation of rent control, transferring rent control to the Housing Expediter, providing for the creation of local advisory boards on rent control, and for other purposes, heretofore reported, which were ordered to be printed as part 2 of Report No. 86.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE (by request):

S. 1190. A bill to amend section 304 (a) of the Federal Food, Drug, and Cosmetic Act so as to provide for seizure of foods, drugs, devices, and cosmetics which become adulterated or misbranded while held for sale after shipment in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCK (by request):

S. 1191. A bill to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; to the Committee on the District of Columbia.

By Mr. TAFT (for himself and Mr. BRICKER):

S. 1192. A bill to authorize the attendance of the Marine Band at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947; to the Committee on Armed Services.

By Mr. BUSHFIELD:

S. 1193. A bill authorizing the issuance of a patent in fee to James H. Red Cloud; to the Committee on Public Lands.

By Mr. REED:

S. 1194. A bill to amend the Interstate Commerce Act with respect to the liability of common carriers by motor vehicle, common carriers by water, and freight forwarders for payment of damages to persons injured by them through violations of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. GURNEY (by request):

S. 1195. A bill to repeal the laws relating to the length of tours of duty of officers and enlisted men of the Army at certain foreign stations;

S. 1196. A bill to provide for the effective operation and expansion of the Reserve Officers' Training Corps, and for other purposes;

S. 1197. A bill to provide additional inducements to physicians and surgeons to make a career of the United States naval service, and for other purposes;

S. 1198. A bill to authorize leases of real or personal property by the War and Navy Departments, and for other purposes;

S. 1199. A bill to authorize the allowance of leave credit to officers of the Army, Navy, Marine Corps, Coast Guard, and the Reserve components thereof, who were denied such credit as the result of certain changes in their status between September 8, 1939, and August 9, 1946;

S. 1200. A bill to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes; and

S. 1201. A bill to authorize the Secretary of the Navy to convey to the city of Long Beach, Calif., for street purposes an easement in certain lands within the Navy housing project at Long Beach, Calif.; to the Committee on Armed Services.

(Mr. BALDWIN introduced Senate bill 1202, to provide for cooperation by the Federal Government with the States to relieve the critical shortage of housing for veterans of World War II; to provide subsidies to aid in the construction of such housing; and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. MCMAHON:

S. 1203. A bill for the relief of the estate of William J. Collamore; to the Committee on the Judiciary.

ADDRESS BY SENATOR MYERS BEFORE ASSOCIATED MOTION PICTURE ADVERTISERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address entitled "Politics Is Your Business, Too," delivered by him at a meeting of Associated Motion Picture Advertisers, at New York, N. Y., April 23 1947, which appears in the Appendix.]

AN INDICTMENT OF RUSSIA—EDITORIAL FROM UNITED STATES NEWS

Mr. MCCLELLAN. Mr. President, I ask unanimous consent to incorporate in the RECORD as a part of my remarks an editorial entitled "An Indictment of Russia—From the Record," which appears in this week's issue May 2 of the United States News. It is a factual statement of developments during our efforts to establish the United Nations and to make it function as a world organization for the preservation of peace and the amicable settlement of international disputes and problems. It also brings to light the lack of interest and cooperation on the part of Russia to establish better international relations and I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN INDICTMENT OF RUSSIA—FROM THE RECORD—UNITED STATES HAS CONSISTENTLY OFFERED COOPERATION WITH THE SOVIET UNION IN MILITARY, ECONOMIC, AND POLITICAL FIELDS DURING AND AFTER THE WAR—RUSSIAN RECORD IS ONE OF NONCOOPERATION IN ALL EFFORTS INVOLVING MUTUAL UNDERSTANDING AND ACTION

(The following report on the relations between Russia and the United States could have been made by anyone who would take the time to make the research into the authoritative records of the last 2 years. It speaks for itself.—David Lawrence, editor.)

I. SUMMARY OF ACTS FROM UNITED STATES SIDE EVIDENCING DESIRE FOR COOPERATION WITH SOVIET UNION

A. War aid

1. Military and civilian supplies to a value of over $11,000,000,000 were supplied the Soviet Union under Lend-Lease.

2. Military and technological information was furnished through United States military mission in Moscow.

3. Substantial medical supplies and civilian goods were sent to the Soviet Union by American agencies, such as the Red Cross and Russian War Relief.

B. Postwar aid

1. UNRRA supplies to the value of $250,000,000 were sent to Byelorussia and the Ukraine. Seventy-two percent of the cost of the UNRRA program was borne by the United States.

2. The United States agreed to discuss extension of large credit to the Soviet Government to assist in postwar reconstruction.

C. Decisions made at meetings of heads of states

1. At Yalta:

(a) United States agreed to cession of Kurile Islands and southern Sakhalin to U. S. S. R.

(b) United States agreed to recognize independence of Outer Mongolia.

(c) United States agreed to Soviet interests as paramount in Dairen, Port Arthur, and the Manchurian railways.

(d) United States agreed to fixing of Curzon line as western border of Soviet Union, thereby incorporating in Soviet Union sizable area of prewar Polish territory.

(e) United States agreed to participation of Byelorussia and the Ukraine in United Nations. thereby giving Soviet Union three votes.

(f) Agreement was reached with Soviet Government for exchange of nationals liberated by Soviet and American armed forces.

2. At Potsdam:

(a) United States agreed to the Soviet annexation of northern portion of East Prussia.

(b) United States agreed to provisional Polish administration of eastern Germany.

(c) United States agreed that postwar conditions required modification of Montreux Convention in respect to the Dardanelles.

(d) Recognition was given to Soviet claims for preferential reparations from western Germany.

D. Peace treaties

1. Concessions were made to Soviet claims for reparations from Italy.

2. Compromises were made with Soviet and Yugoslav viewpoints on boundaries and administration of Venezia Giulia and Trieste.

3. Soviet Union was offered 25-year mutual guaranty pact against Japanese and German aggression. Period of proposed agreement was later extended to 40 years.

4. Secretary Byrnes publicly recognized special security interests of U. S. S. R. in central and eastern Europe.

E. United Nations

1. United States has displayed considerable patience with Soviet use of veto in the Security Council.

2. Generous United States offer on atomic energy is unprecedented in world history.

F. International organizations

United States has advocated Soviet participation in all specialized international organizations and has made direct efforts to obtain Soviet participation.

G. Cultural

United States has constantly sought to arrange for the exchange of publications, scientists, artists, students, etc., between United States and Soviet Union.

H. Civil aviation

United States has persistently sought to negotiate agreement with Soviet Union for reciprocal civil air traffic between the two countries.

II. SOVIET RESPONSE TO UNITED STATES EFFORTS TOWARD COOPERATION

A. War aid

1. Grudging Soviet recognition of extent and value of lend-lease aid and long delay in agreeing to begin negotiations for a settlement.

2. Complete lack of reciprocity in exchange of military and technological information during the war.

3. Little publicity given in Soviet Union to nongovernmental aid received from people of the United States.

B. Postwar aid

1. Refusal of Soviet Government to discuss settlement of outstanding economic questions between the two countries in connection with credit negotiations. Constant reiteration by Soviet propaganda of theme that United States was threatened by imminent economic crisis which would oblige it to grant large credits to Russian market.

C. Political and territorial questions

1. Failure of Soviet Government to observe Yalta commitments for free elections in Poland, Rumania and Bulgaria.

2. Encouragement by Soviet Union of obstructionism and truculence in governments of Poland, Rumania, Bulgaria and Yugoslavia.

3. Noncooperation by Soviet Union in implementing occupation policies in Germany, Austria and Korea.

4. Widespread Soviet removals from eastern Europe, Manchuria and Korea, thereby seriously interfering with resumption of industrial production.

5. Obstructionist Soviet tactics in negotiations for Italian and Balkan peace treaties in meetings of both Deputies and Foreign Ministers. Negotiations on these treaties extended from September 1945 to end of 1946. Soviet Union has likewise delayed consideration of proposed guaranty pact against German and Japanese aggression.

6. Soviet Union has refused to agree to organization of Germany as an economic unit, thereby preventing a more rapid return to a self-sustaining German economy, and the recovery of Europe.

7. The Soviets have rejected all overtures directed toward an agreement on international civil aviation.

8. Freedom of navigation on the Danube has not been restored because of Soviet opposition.

9. Soviet Union has declined to participate in most specialized international organizations. In those which it has joined its attitude has been distinguished by either obstructionism or disinterest.

10. Soviets refused to permit access by American repatriation teams to American citizens liberated by Soviet armed forces. For their part, the Soviets have insisted strenuously that all Soviet citizens, including persons coming from areas incorporated into Soviet Union since outbreak of war, be forcibly turned over to Soviet repatriation authorities regardless of their individual desires.

D. United Nations

1. Soviets have used United Nations as an instrument for political maneuvering and propaganda purposes and have shown little interest in true aims of the Organization.

2. Soviet attitude has prevented any progress in work of Military Staff Committee.

3. As a result of Soviet tactics, the UN has made little progress for a year in solving the problem of control of atomic energy. While preventing agreement on this, Soviets have exploited propaganda possibilities of their general disarmament proposals.

4. On 10 occasions Soviets have utilized veto in Security Council to prevent UN action. These occurred four times regarding Spain, three times concerning admission of new members to UN, and once each regarding the Syrian and Lebanon case, the proposal for a commission of investigation in Greece and the British charges against Albania in the matter of the Corfu Channel.

E. Propaganda

Since the war ended, Soviet propaganda, both for internal consumption and as distributed through controlled outlets around the world, has been violently and abusively anti-American. United States is pictured as imperialistic, reactionary, Fascist, and striving for world domination. United States Government is alleged to be in hands of small group aiming at imposing its will on world by force and as being entirely out of step with desires and aspirations of American people.

F. Cultural

United States efforts for cultural exchanges have not been reciprocated. On the contrary, the Soviet Government has made strenuous efforts to further isolate Soviet people from any cultural contact with outside world except such as occurs under auspices of Soviet Government agencies.

DESTRUCTION OF FERTILIZER PLANTS IN GERMANY

Mr. GURNEY. Mr. President, a few days ago there was some discussion on the floor of the Senate about keeping in operation the fertilizer plants in Germany. It is my purpose to read to the Senate a letter from the Secretary of War telling about the operation of fertilizer plants in Germany. During the recent debate on the matter, I promised to make inquiry of the Secretary of War. The letter I am now about to read was addressed to me, in response to my inquiry. Under date of April 29, the Secretary of War wrote me as follows:

WAR DEPARTMENT,
Washington, April 29, 1947.

Hon. CHAN GURNEY,
Chairman, Committee on Armed Services, United States Senate.

DEAR SENATOR GURNEY: In response to your request for a statement by the War Department concerning the question as to destruction of fertilizer plants in Germany, which has been recently discussed on the floor of the Senate, I submit the following information:

Immediately upon publication of the newspaper stories that Mr. Hoover had stated to reporters that the Allies were destroying certain fertilizer plants in Germany, a verbatim quotation of the United Press story was radioed to General Clay and transmitted by him to General Keyes in Vienna. Radio replies from both have been received, the substance of which is as follows:

First, as to Germany:

(a) As to phosphate fertilizer: There has been no destruction of such plants, and none of the existing plants have or will be declared available for reparations. At present, phosphate fertilizer plant capacity totals 218,000 tons per year of P_2O_5. Of this, 59,000 tons is in the form of basic slag. Requirements for this type of fertilizer total 688,000 tons, leaving a deficit of 470,000 tons. In prewar years, the basic slag production from the steel industry covered this deficiency.

(b) As to potash: There has been no destruction of potash mines in the western zones. The Soviets have destroyed potash mines in their zones, but have stated to the Allied Control Council that the mines destroyed were exhausted and had been used for underground production of war materials by the Germans.

(c) As to nitrogen fertilizer: There has been no destruction of synthetic-ammonia plants or any auxiliary fertilizer conversion plants in the western zones. Although synthetic ammonia is listed as a prohibited industry, the Allied Control Council has authorized its production for German peacetime requirements until exports are sufficient to pay for all imports. Germany has plants sufficient for production of its nitrogen-fertilizer requirements, and deficiencies are due primarily to the basic shortages of coal and power.

Second, as to Austria: The radio from General Keyes states that no fertilizer-producing plants in Austria have been or are being destroyed, nor are any contemplated for destruction or removal as a result of quadripartite action. The Austrian authorities have reported that sulfuric-acid production essential for manufacture of superphosphates has been largely eliminated by war damage or by removals by the Soviets.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GURNEY. I yield to the Senator from Nebraska.

Mr. WHERRY. May I ask, is the Senator now referring only to the American, British, and French zones of occupation?

Mr. GURNEY. I am referring to Austria.

Mr. WHERRY. Does the letter indicate that no plants are being removed from the Russian zone of occupation in Germany and Austria?

Mr. GURNEY. I would say to the Senator from Nebraska that that is something which is covered later on in the letter. Continuing with the letter:

The fertilizer plant at Hoosbierbaum, part of which was destroyed by bombs, had a remaining annual capacity of 46,000 tons, and the plant at Pischelsdorf, which was lightly bombed, had a remaining capacity of 49,000 tons. These were both removed from Austria by Soviet order early in the occupation. The plant at Deutsch-Wagram, capacity 7,350 tons, was partially burned and production has been abandoned. The only remaining plant is at Liesing and has a capacity of 8,000 tons. This is under Russian management.

Production of nitrogen in Austria depends upon obtaining sufficient coal from Germany or other sources to permit fuller operation of the plant at Linz, in the United States zone. This is now, because of lack of sufficient coal, producing at a rate of only 15,000 tons pure nitrogen per year. The full installed capacity of such plant is 60,000 tons. Austria's annual domestic requirements are 30,000 tons. All tonnages are given in metric tons of pure nitrogen content.

Relative to the story which the newspapers carried on or about April 18 concerning a statement by former President Hoover as to the destruction of fertilizer plants in Germany, Mr. Hoover has written me that the published account was incorrect. His letter stated that in the interview with reporters he complained "of the Russian action with regard to fertilizers and other products in their

zones in Germany, Austria, and Korea," and that he stated "that in the American and British zones every effort was being made within the imposed levels of industry to restore production of fertilizers." However, Mr. Hoover says that he stated that "the net result was that our taxpayers were being called upon to furnish fertilizers to countries formerly self-supporting, or even exporting a surplus of those commodities." Mr. Hoover adds, in his statement to the reporters, that he "warmly supported the efforts of our military authorities."

Sincerely yours,

ROBERT P. PATTERSON,
Secretary of War.

CONSTRUCTION OF ADEQUATE HOUSING FACILITIES

Mr. BALDWIN. Mr. President, it is my sincere conviction that one of the major demands the people of the country have on this Eightieth Congress is that we, in some way, provide adequate housing, and particularly adequate veterans' housing. It is one of our major concerns to try to make sure that this Congress passes legislation that will help actually build these needed houses.

In the last several months, I have talked with a variety of housing experts, builders, representatives of insurance companies, veterans' organizations, and others, to try to determine how we can best actually get houses built. In the course of these conversations, I have learned literally scores of ways that houses cannot be built. I have heard, in other words, a tremendous amount of destructive criticism of any plans offered. I must say that on the other hand I have heard very few constructive ideas.

We are, in this country, in the midst of a housing emergency. The building of houses has declined steadily. The cost of housing has risen steadily. I think few will deny that housing costs today are considerably inflated. Statistics show that the total number of private dwellings constructed is at a low level.

On the other hand, construction costs have risen steadily since 1932. One national survey shows that in recent months the lumber industry, for example, has made price boosts of as much as 100 percent and the wholesale level of lumber is up 290 percent since 1939. The Bureau of Labor Statistics reports a serious drop in residential construction as compared with last year in most areas of the country. The Bureau also reports that prices are up since last year and that local housing programs have, for the most part, been ineffective.

The anticipated building boom in residential construction has failed to materialize. Buyers are resisting the high cost of housing and the poor quality of housing provided even at a high cost. Such high cost can be absorbed in some cases by commercial enterprises because of other high prices, but private individuals cannot and will not buy or rent houses constructed at present levels.

According to a careful survey made last fall in Connecticut, about 12 percent of the returning veterans there needed places to live. Four out of five wanted to rent instead of buy. This figure, of course, varies according to the size of the community. The majority could afford to pay between $35 and $45 a month for a four-room unit. For the same size unit, a monthly rental of approximately $90 would have to be charged in order to pay for the cost of construction and give the builder some return on his investment.

National figures obtained from competent, unbiased surveys substantially support the above statistics, except that they point out that Connecticut is unusually fortunate in having only 12 percent of the veterans in need of housing. The percentage of veterans in the country who need housing is roughly double that.

As of June 1946, a Government survey revealed that 25 percent of married veterans were living doubled up with another family. Less than half of the veterans married at the time of their discharge had separate homes to return to at that time. Not quite 3 out of 10 could afford to pay $50 or more a month for rent, and this represented about one-fourth of the veteran's income. Insofar as buying is concerned, only two out of five who wanted to buy homes could afford more than $6,000, and 25 percent were able to pay less than $4,000. The average median price veterans were able to pay was about $5,500. The average median gross monthly rental veterans were able to pay, according to this survey, was about $43.

In view of these various surveys, it is quite clear that, to talk of living quarters built to rent from $90 to $100, and to talk of houses built to be sold for $10,000 or more is most unrealistic. Veterans can not, and will not, pay those prices, but they do need homes in which to live. We have promised those homes.

We have had, in the past 5 or 6 years, a confusing conglomeration of Government housing agencies. It has become most difficult to find one's way through their maze. We have had a great number of plans advanced by which it was hoped houses would be built. Unfortunately, these appear to have, without exception, failed. We have before us, now, and have had previously, other plans that deal with special segments of the population. I hope they also help relieve the critical housing shortage. However, none of these specifically provides for a way of getting houses built to rent at rentals the veteran can afford to pay, or to sell at prices which would allow him to buy. Some people argue that we need only take off all controls of housing to see houses quickly appear on our streets. They point out that they will build units to sell and rent in the higher-priced brackets and that people now living in less costly units will take over these newer developments and so free older and cheaper housing for veterans. In the first place, I do not like the implication of that argument. It broadly suggests that our veterans shall be given second choice for the second best. But beyond that moral argument is a more practical and more realistic argument. We have passed the peak of individual spending. We have no longer, among our people, the uncontrollable urge to throw away money for unnecessary things. Our people are now looking more carefully into what they spend, because present taxes and present prices require a careful scrutiny of all budgets.

In my estimation, there are few people who would voluntarily move from any present low-cost home to a higher-priced one, nor are there many who are anxious to buy high-priced homes—particularly in light of inflated values. Therefore, it is my studied belief that those people who would be expected to move out of the cheaper quarters would stay where they are, giving the veteran the golden opportunity of renting an apartment at a price many times what he can afford to pay. Further than that, I am not willing to concede that in this country of free enterprise and great production, we cannot build new structures—whether they be thimbles or houses—to sell at prices the average citizen can afford to pay.

I should like to point out right here that I am afraid some of our people have a mistaken idea about the veteran. For every general in the Army who received a fairly substantial financial remuneration, there were thousands of ordinary GI's who received comparatively low pay, and who have now returned to jobs at wages of $20, $30, $40, or $50 a week. To offer them, as one of our veterans' housing programs did, first choice on $10,000 homes is somewhat ridiculous. To offer them first choice on apartments renting at $90 a month is equally as ridiculous. We must have houses built. We must encourage the builder to want to build houses, and to build houses at prices our veterans can pay. We must take drastic steps.

For those reasons, I am introducing a bill which I am sure will be met with objections. It will be called costly and it will be called a lot of other things, but I believe it will build houses.

I want to say right now, with as much emphasis as I can, that if anyone else on this floor can propose another bill which will cost less and will still build houses, I shall immediately withdraw this bill, and shall vote for his. However, unless such a bill can be produced, I am going to actively urge the consideration and passage of this bill.

Mr. President, I should like to list some of the provisions of this bill. It provides, first, a series of three amendments which are designed to reduce carrying charges and thus make possible reduced rentals and reduced monthly payments. The purpose of these amendments is to get the $90, of which I spoke earlier, nearer the $35 to $$45 that the veteran can pay. What is left can be provided, in my estimation, by only one thing—a direct Federal-State subsidy.

The first of these amendments proposes that loans for veterans' housing be guaranteed at 100 percent, instead of the present 90 percent. In this connection, I have had one of our most learned housing experts tell me that the present law provides for such 100 percent loans for veterans. He may be technically correct. It is true that if a veteran can find a home priced at under $10,000 which the Veterans' Administration will appraise at the price asked, a loan can be

worked out which will not involve any cash payment on the part of the veteran. I wonder whether that expert could find for me, in this country, any substantial number of houses offered on the market at less than $10,000, which an appraiser would appraise at the full purchase price. If so, I am sure that I could furnish him with a long list of prospective tenants. As a factual matter, we all know such is not the case. Further than that, we know that any capital, whether it be the few dollars saved by the veteran or the millions available through loaning corporations, is not wisely risked right now, with inflated housing values. I think each of us knows several personal examples that would bear out that statement.

The second amendment is to lower the interest charge to 3¼ percent. I fully realize that is a very low rate, and I realize that the Government may have to absorb a large part of that. On the other hand, I believe private capital will see its way clear to accept some considerable proportion. The obvious necessity for this provision is that carrying charges must be reduced.

The third amendment is that the period of amortization will be increased to 40 years. On this point I have heard many arguments to the effect that the net cost to the veteran would be more. I have talked with veterans' groups about that point. They assure me, and I, myself, am convinced, that given the choice of not being able to rent or buy a house as against the choice of paying a little more over a longer period, the veteran will choose the latter.

Any consideration of veterans housing gets down to one issue—money. I see no other way of actually getting houses built. For that reason, and in spite of the fact that I believe and know that we must now establish strict Government economy, I believe in this emergency we are required to provide the money needed to close the gap I have pointed out.

Therefore, the major part of the bill is concerned with a subsidy to provide the difference between what the veteran can pay and the charges that must be made even after these liberalized regulations are in effect. This section provides that these aids shall be made available to veterans of World War II and to widows and orphans of veterans killed in that war. It provides that each State shall set up an adequate housing authority capable of dealing with this program. The respective builders, upon furnishing adequate proof of the need and desirability of their projected constructions, can apply for a Government subsidy that will make lower rentals to the tenants possible. There are certain restrictions and certain penalties attached to this provision in order to safeguard the public funds and in order to make sure the spirit of the act is carried out. Upon receiving adequate proof of intent, the State may notify the Federal Housing Commissioner of its plans, and be furnished, upon approval, with a sum equal to that provided by the State. The administration would be entirely State and local. The Federal Government simply provides its share of the funds, in return for certain demonstrations of good faith and sound practice in administration.

At a later date, I want to explain these provisions in more detail. At this time, I simply want to outline these points briefly to the Members of the Senate, and encourage the fastest possible action.

Again, I say, that if any other bill can be proposed to meet this emergency better, and to build houses faster, I shall gladly withdraw my bill, and shall actively support that one. Until such a time, Mr. President, I urge that the Members of the Senate concern themselves with the passing of some such legislation as this for the purpose of making it possible for builders to build and renters to rent.

Mr. President, I now ask unanimous consent to introduce the bill, and I ask that it be appropriately referred.

There being no objection, the bill (S. 1202) to provide for cooperation by the Federal Government with the States to relieve the critical shortage of housing for veterans of World War II; to provide subsidies to aid in the construction of such housing; and for other purposes, introduced by Mr. BALDWIN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

LEAVES OF ABSENCE

Mr. MARTIN. Mr. President, I ask unanimous consent that I may be away from the Senate tomorrow, Thursday.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

Mr. BROOKS. Mr. President, I ask unanimous consent to be excused from attendance upon the session of the Senate tomorrow, for the purpose of attending the funeral of a dear friend and law associate, whose funeral will be held in Chicago tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAYBANK. Mr. President, I ask unanimous consent to be excused from attendance on the sessions of the Senate on Thursday and Friday of this week, because of previous engagements.

The ACTING PRESIDENT pro tempore. Without objection consent is granted.

EXEMPTION OF EMPLOYERS FROM LIABILITY FOR PORTAL-TO-PORTAL WAGES IN CERTAIN CASES—CONFERENCE REPORT

Mr. WILEY. Mr. President, yesterday I submitted the conference agreement on H. R. 2157, exempting employers from liability for portal-to-portal wages in certain cases. The text of this agreement is to be found beginning on page 4209 of the RECORD.

Today I should like to submit a brief description of this agreement, section by section, in order to help clarify some of the questions which have arisen and in order that we may have on hand a convenient résumé.

DESCRIPTION OF AGREEMENT

The conference agreement contains findings and a declaration of policy by the Congress in conformity with the substitute agreed on in conference.

PAST CLAIMS

Section 2 of the conference agreement relates to existing portal-to-portal claims and relieves an employer of liability for such existing claims, except claims based on activities which were compensable by contract, custom or practice.

A provision is also inserted in the conference agreement—Section 2 (d) which denies jurisdiction to the courts of any portal-to-portal suits based on existing claims.

The conference agreement prohibits assignment of past claims so that it will be impossible for anyone to buy up existing claims which were not compensable under contract, custom, or practice, and make a profit by compromising same.

Section 3 of the conference agreement provides that any claims which accrued prior to the date of enactment of this bill may be compromised, in whole or in part, but only if there exists a bona fide dispute as to the amount payable by the employer. However, even in the case of a bona fide dispute, the compromise is not permitted if it goes lower than 40 cents an hour for straight time, or 60 cents an hour for overtime in the case of the Fair Labor Standards Act, or is less than the minimum required by the Walsh-Healey or Bacon-Davis Acts, or is at a rate less than the overtime rate, which is one-and-one-half times such minimum, if the causes of action arose under either of said two acts.

FUTURE CLAIMS

Section 4 of the conference agreements relates to future claims and relieves an employer from liability for his failure to pay minimum wages or overtime compensation for activities engaged in outside of the workday, unless such activities are compensable by custom or contract. Activities performed by an employee during the workday are not affected in any manner by this bill, and the employer will remain liable or not liable for payment of such activities under the three acts to the same extent as he would be if this bill were not enacted. In other words, they are left under the applicability provisions of law in existence prior to the date of enactment of the Portal-to-Portal Act of 1947.

REPRESENTATIVE ACTIONS

Section 5 of the conference agreement bans representative actions in the future. It does not affect pending representative actions. It adds a new sentence to section 16 (b) of the Fair Labor Standards Act, providing that no employee shall be a party plaintiff to any collective action after the date of enactment of this act, unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought.

Section 6 of the conference agreement provides for a 2-year statute of limitations with respect to future claims.

With respect to past claims, the applicable State statute of limitations will apply if the action is commenced within 120 days after the date of enactment of this act, so that, for example, in Florida the statute of limitations of 1 year would apply, and in Wisconsin the statute of limitations of 6 years would apply.

Section 7 is a provision relating to the method of determining date of commencement of future actions.

Section 8 sets up the method for determining the commencement of pending collective and representative actions.

GOOD FAITH RELIANCE

Section 9 contains the so-called good faith reliance rule with respect to reliance on past administrative rulings. In general, if the employer pleads and proves that the act or omission complained of was in good faith, in conformity with and in reliance on any administrative regulation, he will be relieved from liability.

Section 10 of the conference agreement contains a rule, relating to good faith reliance in future on administrative rulings, which is the same as the rule relating to acts or omissions prior to the date of the enactment of the bill with two exceptions:

First. The regulations must be in writing.

Second. They must be regulations in the case of the Fair Labor Standards Act—of the Administrator of the Wage and Hour Division; in the case of the Walsh-Healey Act—of the Secretary of Labor, or any Federal officer utilized by him; and in the case of the Bacon-Davis Act of the Secretary of Labor.

It should be noted that under both sections 9 and 10 an employer will be relieved from liability in an action by an employee because of reliance in good faith on an administrative practice or enforcement policy only, first, where such practice or policy was based on the ground that an act or omission was not a violation of the act, or, second where a practice or policy of not enforcing the act with respect to acts or omissions led the employer to believe in good faith that such acts or omissions were not violations of the act.

However, the employer will be relieved from criminal proceedings or injunctions brought by the United States not only in the cases described in the preceding paragraphs, but also where the practice or policy was such as to lead him in good faith to believe that he would not be proceeded against by the United States.

Section 11 of the conference agreement permits a court in its sound discretion to award no liquidated damages or award any amount thereof not to exceed the amount specified in section 16 (b) of the Fair Labor Standards Act, if the employer shows to the satisfaction of the court that the act or omission giving rise to such action was in good faith and that he had reasonable ground for believing that his act or omission was not a violation of such act. In other words, this provision is to give the court discretionary power in relation to liquidated damages, but again it should be clearly understood that this has no application in relation to bad claims. In other words, if section 2 of this act is held valid, then all bad claims go out the window.

AREA OF PRODUCTION

Section 12 of the conference agreement is inserted to relieve the situation created by the decision of the Supreme Court in the Holly Hill case handed down June 5, 1944, in which the Court held invalid certain regulations of the administrator relating to "area of production" and directed him to issue new regulations which the Administrator did not do for a period of approximately 2½ years after the date of such decision. In general, this provision relieves an employer from liability under the Fair Labor Standards Act for any act or omission prior to December 26, 1946—when the Administrator finally issued his new regulation—if he would have been exempt under any "area of production" regulations in effect during that time.

MAJOR ACCOMPLISHMENTS OF CONFERENCE AGREEMENT

In summary, the conference agreement accomplishes the following:

First. It changed the findings and declaration of policy to conform with the conference agreement.

Second. It adopts the provisions of both the House bill and the Senate amendment with respect to past claims.

Third. It adopted generally the Senate rule with respect to future claims.

Fourth. It bans representative actions as contained in the Senate amendment.

Fifth. It contains a 2-year statute of limitations with some modifications as stated above.

Sixth. It permits reliance on past and future administrative rulings.

Seventh. It permits a court in its discretion to award less than the liquidated damages which are now mandatory under the Fair Labor Standards Act.

Eighth. It relieves from liability employers who were exempt under an "area of production" regulation for acts or omissions occurring prior to December 26, 1946.

FAIRNESS TO LABOR'S RIGHTS UNDER WAGE-HOUR ACT

There is so much misrepresentation as to the effect of this portal-to-portal bill on the Fair Labor Standards Act that I feel it my duty to clarify this matter.

First. It should be clearly understood that this bill in no way repeals the minimum wage requirements and the overtime compensation requirements of the Fair Labor Standards Act.

Second. In relation to past claims, if the action is brought within 120 days after the date of enactment the applicable State statute of limitations will apply. If the action is not brought within 120 days then the 2-year statute of limitations applies, or the shorter State statute, if it is shorter than 2 years.

Third. With respect to future claims, a 2-year over-all Federal statute of limitations will be applicable, doing away with the applicability of any State statute.

It may be claimed that the act is impaired by the provision relating to good faith reliance on administrative rulings, but it does not so appear to me. I feel that the paramount public interest, as well as the interest of the employer and employee, require that, once and for all, both the employer and employee have a right to rely on the interpretation or regulation or order of the Federal agency charged with administering the act.

It will be noted that the relief from liability must be based on a ruling of a Federal agency, and not a minor official thereof. I, therefore, feel that the legitimate interest of labor will be adequately protected under such a provision, since the agency will exercise due care in the issuance of any such ruling.

CONCLUSION

Finally, this conference agreement, the product, I humbly submit, of long and arduous labor of the managers for the Senate and the House, merits the promptest possible attention of the Senate and the House, enactment by both Chambers with complete bipartisan support and signature of approval by the President.

When this is done, the grave cloud of fear over American industry and American labor, arising from these disastrous suits, will have been dispelled and a principal factor will be operating for American industrial expansion and prosperity.

LABOR RELATIONS

The Senate resumed the consideration of the bill (S. 1126) to amend the National Labor Relations Act, to provide additional facilities for the mediation of labor disputes affecting commerce, to equalize legal responsibilities of labor organizations and employers, and for other purposes.

The ACTING PRESIDENT pro tempore. The question recurs on the amendment offered by the Senator from Minnesota [Mr. BALL] on behalf of himself, the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], and the Senator from New Jersey [Mr. SMITH] to insert on page 14, line 6, after the word "coerce", the words "(A) employees in the exercise of the rights guaranteed in section 7; or (B)".

Mr. TAFT and Mr. IVES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. TAFT. Mr. President, the amendment before the Senate is the amendment which prohibits, or makes it an unfair labor practice, for labor unions to interfere with, restrain, or coerce employees. Two amendments have been suggested in order to clarify that amendment. It seems to me that if it could possibly be arranged to have those amendments now considered and accepted, perhaps, and dispose of the amendment, so that we could make some headway and go on to the next, it would be a very desirable procedure.

Mr. IVES. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from New York.

Mr. IVES. A few days ago, in my remarks on this particular proposal, I pointed out, as my chief objection, my fear of the construction that might very easily be placed on the words "interfere with." They could easily be construed to mean that any conversation, and persuasion, any urging on the part of any person, in an effort to persuade another to join a labor organization, would constitute an unfair labor practice. That was my principal objection to the amendment offered by the senior Senator from Minnesota. I am now in agreement with at least some of my friends in the Senate, and I think if I may at this time offer an amendment eliminating the words "in-

terfere with" and if the amendment can be adopted, I may be able to go along with the amendment proposed by the senior Senator from Minnesota. I now offer that amendment.

The ACTING PRESIDENT pro tempore. Is there objection to the amendment being offered? The Chair hears none.

Mr. MORSE. Mr. President, reserving the right to object, I have no objection to the submission of the amendment of the Senator from New York. I simply want to say that I shall discuss at some length on a later day why I think the amendment is entirely unsatisfactory.

Mr. TAFT. Mr. President, I have consulted with the attorneys and they tell me that elimination of the words "interfere with" would not, so far as they know, have any effect on the court decisions. Eliminating those words would not make any substantial change in the meaning. I realize that the language to which the Senator from New York objects is perhaps somewhat broad, and certainly I shall join in asking the Senator from Minnesota [Mr. BALL] to accept the amendment, if it is satisfactory to him.

Mr. BALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BALL. The Senator from New York has discussed the amendment with me, and I agree with him that the words "interfere with" are very vague. So far as I know, in the corresponding unfair practice for employers, no complaint is ever issued on the interference angle. I think when we are dealing with union organizational activities it is even more important that such vague language be eliminated from this section of the bill. So the amendment offered by the Senator from New York to the bill is acceptable to me and, I believe, it is to the coauthors of the amendment.

The ACTING PRESIDENT pro tempore. The amendment offered by the Senator from New York will be stated.

The CHIEF CLERK. On page 14, line 6, after the word "to" it is proposed to strike out the words "interfere with", and after the word "restrain" to strike out the comma.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. SMITH. Mr. President, I simply wish to say that as one of the sponsors of the pending amendment, I am glad to accept the amendment offered by the Senator from New York.

Mr. HOLLAND. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. HOLLAND. Was the pending amendment amended to strike out the words "interfere with"?

The ACTING PRESIDENT pro tempore. The Chair is advised that the words "interfere with" are in the text of the bill and not in the so-called Ball amendment.

Mr. HOLLAND. And the amendment has been agreed to?

The ACTING PRESIDENT pro tempore. It has been.

Mr. HOLLAND. Then I offer an amendment in the nature of a substitute for the amendment of the Senator from Minnesota, and I shall explain briefly the proposed substitute. I have had some discussion with the Senator from Minnesota [Mr. BALL] and the Senator from Ohio [Mr. TAFT] and with other Senators in reference to the meaning of the pending amendment and as to how seriously, if at all, it would affect the internal administration of a labor union.

Apparently it is not intended by the sponsors of the amendment to affect at least that part of the internal administration which has to do with the admission or the expulsion of members, that is, with the questions of membership. So I offer an amendment as a substitute for the amendment of the Senator from Minnesota. After the word "coerce" I propose to insert the following:

(A) Employees in the exercise of the rights guaranteed in section 7: *Provided*, That this subsection shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein.

I offer that amendment on behalf of myself and the junior Senator from Maryland [Mr. O'CONOR].

The ACTING PRESIDENT pro tempore. Is there objection to the submission of the amendment? The Chair hears none.

Mr. TAFT. Mr. President, this is an amendment to the amendment. There is no question of objection, as I understand.

Mr. THOMAS of Utah. Mr. President, are we not becoming somewhat confused by the suggestion of an amendment which some of us thought was to the Ball amendment and then found it would not affect the Ball amendment at all, but was an amendment to the section of the bill which the Ball amendment seeks to amend? I think we are confused quite enough without having a further parliamentary tangle. It seems to me the amendment offered by the Senator from New York [Mr. IVES] is definitely out of order; that it has nothing to do with the amendment which has been offered by the Senator from Minnesota [Mr. BALL] for himself and other Senators, which is printed and which we are supposed to be considering. It does affect the paragraph which the Ball amendment would change, but it is definitely an amendment to the bill and not an amendment to the amendment proposed by the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. The Chair will state that the amendment offered by the Senator from New York has been agreed to by unanimous consent.

Mr. THOMAS of Utah. Mr. President, the amendment was surely presented to us under false pretenses because I struggled with might and main to find out where the words "interfere with" were in the amendment offered by the Senator from Minnesota.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. I want to be sure that the RECORD is perfectly clear, because I understood the Chair to state at the time the Ives amendment was ruled upon, that "without objection the amendment is agreed to." What the Chair meant was that without objection the Senate permitted the amendment of the Senator from Minnesota to be perfected, but we are not agreeing to the amendment of the Senator from New York.

The ACTING PRESIDENT pro tempore. The Chair is of the opinion that the amendment was submitted by unanimous consent, and it was accepted by unanimous consent.

Mr. TAFT. Mr. President, it is an amendment to the bill, so that the Ball amendment is still pending, but the bill is amended by striking out the words "interfere with." That is behind us. Then there was another proposal, after that change is made, which makes the Ball amendment more acceptable to the Senator from New York and perhaps to other Senators, but this amendment has actually been made directly to the bill. That is not true of the amendment to be offered by the Senator from Florida. That is an amendment to the amendment.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ELLENDER. What is the pending question before the Senate?

The ACTING PRESIDENT pro tempore. The amendment offered by the Senator from Florida [Mr. HOLLAND] in the nature of a substitute for the amendment of the Senator from Minnesota is pending. The amendment will be stated.

The LEGISLATIVE CLERK. On page 14, line 6, after the word "coerce", it is proposed to insert the following:

(A) Employees in the exercise of the rights guaranteed in section 7: *Provided*, That this subsection shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ELLENDER. What has become of the amendment offered by the Senator from New York?

The ACTING PRESIDENT pro tempore. That was agreed to by unanimous consent.

Mr. ELLENDER. By unanimous consent? Who asked for unanimous consent? I was under the impression that unanimous consent had been asked for the mere submission of the amendment. Since the Chair states the amendment has been adopted, I move to reconsider the action by which the amendment was agreed to, because I am sure that few Senators understood the question was on the adoption of the amendment by unanimous consent. I was under the impression that the amendment offered by the distinguished Senator from New York was an amendment to the pending

amendment offered by the Senator from Minnesota.

Mr. IVES. Mr. President, I should like to get the status and purport of my amendment straightened out, because apparently there seems to be some doubt as to what it does and the way the language would read. The Senator from Minnesota [Mr. BALL] for himself, the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], and the Senator from New Jersey [Mr. SMITH] offered an amendment to the bill on page 14, line 6, after the word "coerce," to insert certain words. On the same page and line of the bill I moved to strike out the words "interfere with," and also the comma after the words "interfere with" and the comma after the word "restrain." That is all the change effected by my amendment, which, as I understand, was agreed to by unanimous consent.

Mr. THOMAS of Utah. Mr. President, I, for one, now understand the parliamentary situation. The amendment offered by the Senator from Florida [Mr. HOLLAND] has offered as a substitute for the Ball amendment, which is printed, and which has not yet been agreed to. We do not know yet whether the Senator from Minnesota has accepted as part of his amendment, as a modification of his amendment, the amendment offered by the Senator from Florida. I am interested in having an opportunity to talk about the amendment, and I should like to be informed about the matter before I make my few remarks.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senator from Florida [Mr. HOLLAND] be permitted to withdraw the amendment which he offered, and to offer another amendment which is clearly an amendment to the Ball amendment.

Mr. HOLLAND. Mr. President, the amendment which was offered by me was prepared by the counsel for the committee and I think was correct, but as now reframed the amendment would simply add the following words after the figure "7" in the pending amendment offered by the Senator from Minnesota [Mr. BALL] on behalf of himself and other Senators:

Provided, That this subsection shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein.

In other words, if accepted by the sponsors of the pending amendment, the inserted words would make it clear that the pending amendment would have no application to or effect upon the right of a labor organization to prescribe its own rules of membership either with respect to beginning or terminating membership. I understand that the amendment so offered meets with no serious objection on the part of the sponsors of the pending amendment.

The ACTING PRESIDENT pro tempore. The Chair understands that the Senator from Florida has withdrawn his previous amendment, and is now offering another amendment, which will be stated.

The CHIEF CLERK. It is proposed to amend the so-called Ball amendment by inserting after the figure "7", the following: "*Provided*, That this subsection shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein, or (B)".

Mr. HOLLAND. Mr. President, this amendment is offered on behalf of the Senator from Maryland [Mr. O'CONOR] and myself.

Mr. BALL. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Mr. THOMAS of Utah. Mr. President, I inquire who has the floor.

Mr. BALL. I think I was recognized.

Mr. THOMAS of Utah. I thought I had the floor, and that I had been yielding to other Senators.

Mr. BALDWIN. Mr. President, I understood that the Senator from Ohio [Mr. TAFT] had the floor, and that he yielded to the Senator from Utah.

Mr. BALL. Mr. President, a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BALL. I do not think any Senator can hold the floor and farm it out indefinitely. I thought I was recognized by the Chair to make a brief statement.

The ACTING PRESIDENT pro tempore. That was the Chair's understanding.

Mr. THOMAS of Utah. Mr. President, I obtained the floor to ask a question about a parliamentary situation. I am very anxious to discuss the Ball amendment. That was my intention, but I wanted to be certain of the parliamentary situation. Various Senators have asked questions and have asked me to yield, and I have yielded several times. I should like to know whether I can discuss the pending question or not.

The ACTING PRESIDENT pro tempore. The Chair was under the impression that the Senator from Utah had completed the inquiry for which he asked the floor, and for which it was accorded him. The Chair had recognized the Senator from Minnesota.

Mr. BALL. Mr. President, I have no desire to take the Senator from Utah from the floor if he wishes to discuss the amendment but he did yield to the Senator from Florida [Mr. HOLLAND] to offer his amendment to my amendment. I merely wish to state to the Senate that the amendment offered by the Senator from Florida is perfectly agreeable to me. It was never the intention of the sponsors of the pending amendment to interfere with the internal affairs or organization of unions. The amendment of the Senator from Florida makes that perfectly clear. I am willing, on behalf of myself and the other sponsors of the amendment, to accept the amendment offered by the Senator from Florida and, if it is necessary, so to modify and perfect my own amendment.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. PEPPER. I request also the attention of the Senator from Ohio [Mr. TAFT].

In discussion yesterday between the Senator from Ohio and myself with respect to another part of the bill, dealing with the closed shop or the union shop, the Senator from Ohio stated what I recall his having stated in the committee, that if a union claimed the advantage or the status of a closed shop or union shop, it would have to have what the Senator called democracy in respect to the admission of members. I understood the Senator to say that that would mean that anyone who presented himself and was qualified in other respects for membership, and who complied with the usual conditions for membership, such as the payment of dues, and so forth, would be entitled to membership.

Mr. TAFT. Mr. President, will the Senator from Minnesota yield?

Mr. BALL. I yield.

Mr. TAFT. I did not say that. The union could refuse membership; but if the man were an employee of the company with which the union was dealing, the union could not demand that the company fire him. The union could refuse the man admission to the union, or expel him from the union; but if he were willing to enter the union and pay the same dues as other members of the union, he could not be fired from his job because the union refused to take him.

Mr. PEPPER. Am I correct in assuming that it is the interpretation of the Senator from Ohio and the Senator from Minnesota that there is no provision of the bill which denies a labor union the right to prescribe the qualifications of its members, and that if the union wishes to discriminate in respect to membership, there is no provision in the bill which denies it the privilege of doing so?

Mr. BALL. Absolutely not. If the union expels a member of the union for any other reason than nonpayment of dues, and there is a union-shop contract, the union cannot under that contract require the employer to discharge the man from his job. It can expel him from the union at any time it wishes to do so, and for any reason.

Mr. PEPPER. And the union can admit to membership anyone it wishes to admit, and decline to admit anyone it does not wish to accept.

Mr. BALL. That is correct. But the union cannot, by declining membership for any other reason than nonpayment of dues, thereby deprive the individual concerned of the right to continue in his job. In other words, it cannot force the employer to discharge him.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. Is it not possible to perfect an amendment without requiring unanimous consent to agree to the amendment involved in the perfection? It seems to me that we should keep the RECORD perfectly clear with regard to what we have done in our action on the Ives amendment. When the Ives amendment was offered, as the RECORD will show, I reserved the right to object. At a later date I wish to discuss why I think the amendment is unsatisfactory. I have no objection to the amendment being

used as a perfection in part of the Ball amendment; but I do not wish to have the RECORD show that we have agreed by unanimous consent to the substance of the Ives amendment. I think the point is pretty well taken, and I think the situation is clear in the RECORD. What we have agreed to is that the Senator from New York [Mr. IVES] should be allowed to perfect the Ball amendment by adding his amendment to it; but by so doing we do not agree to the substance of the Ives amendment. If so, then I think the Chair unwittingly misled us into the action which was taken. I would then support the motion of the Senator from Louisiana [Mr. ELLENDER] to reconsider.

The PRESIDING OFFICER (Mr. COOPER in the chair). The motion to reconsider will be entered.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. May I have a ruling as to whether or not it was a perfecting of the Ball amendment which was proposed by the Senator from New York [Mr. IVES] and ruled upon by the Chair, or whether the unanimous-consent request was that we agree to the substance of the Ives amendment? They are two entirely different things.

The PRESIDING OFFICER. The Chair rules that the Ives amendment struck out a part of the bill which was not embraced in the Ball amendment.

Mr. IVES. Mr. President, I assume that any Member of the Senate who offers an amendment should have control over the amendment which he is offering. I assume that is the procedure in the Senate. If that be the case, the senior Senator from Minnesota [Mr. BALL] is controlling the amendment which he offered, and should have control over it until such time as the Senate disposes of the amendment. I conferred with the senior Senator from Minnesota before offering my amendment and obtained his approval. Therefore I construe this procedure to be purely a matter of perfecting the amendment in line with his own ideas and mine, without in any way giving to the amendment as a whole the final approval of the Senate.

Mr. ELLENDER. Mr. President, since the parliamentary situation has been made plain, and it is apparent that the position which I took was justified, I withdraw the motion to reconsider the action by which the amendment of the Senator from New York was agreed to. As at present advised, I favor the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Minnesota [Mr. BALL], as modified.

Mr. BALL. I ask unanimous consent that the amendment as modified be printed and placed on the Senators' desks tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Barkley	Hill	Overton
Brewster	Hoey	Pepper
Bricker	Holland	Reed
Bridges	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Russell
Butler	Kem	Saltonstall
Byrd	Kilgore	Smith
Cain	Knowland	Sparkman
Capehart	Langer	Stewart
Capper	Lodge	Taft
Chavez	Lucas	Taylor
Connally	McCarran	Thomas, Okla.
Cooper	McCarthy	Thomas, Utah
Cordon	McClellan	Thye
Donnell	McFarland	Tobey
Downey	McGrath	Tydings
Dworshak	McKellar	Umstead
Eastland	McMahon	Vandenberg
Ecton	Magnuson	Wagner
Ellender	Malone	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	Myers	

The PRESIDING OFFICER. Ninety-five Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment, as modified, proposed by the Senator from Minnesota [Mr. BALL], on page 14, line 6, to insert certain language after the word "coerce."

Mr. THOMAS of Utah. Mr. President, the Senate has taken its first vote on the pending measure. By that vote it has been determined that we are to continue the consideration of the omnibus bill. I want to confine my remarks to the pending amendment. I do not desire in any way to interfere with prompt passage of legislation on this subject. I feel, however, that important amendments, such as the pending amendment, which on its face looks so innocent, should be discussed at length from the standpoint of the present law itself and the meaning of the law. The historical background, in my opinion, makes the amendment untimely, as such a proposal has always been. However, after the lapse of several years, it apparently seems timely to authors of the bill.

When the National Labor Relations Act was first discussed, it was considered that the rights of employer and employee were so out of balance that it should be the policy of the act to attempt to bring about equality between them, and that the law should be written entirely with a view to restraining the employer. The economic positions of employer and employee are so unequal that the odds are always, economically and in every other way, on the side of the employer, since he has the right to hire and fire.

The pending amendment is very similar to an amendment which was offered upon the floor of the Senate when the National Labor Relations Act was being discussed for the first time. The wording is different, but the theory and philosophy are identically the same. As I remember it, an amendment was offered at that time by the Senator from Maryland [Mr. TYDINGS], the purpose of which was to restrain the use of coercion, no matter by whom it was used. That seems so sensible and so logical, when an effort is being made to promote industrial peace, that scarcely anyone should rise to oppose it.

In 1941, I proposed an industry-labor conference measure, providing that there should be no strikes or lock-outs, and that all disputes should be settled by peaceful means. I, therefore, in the very nature of things, should welcome any amendment or any kind of aid which would tend to do away with coercion and unjust restraint. I would support it with all my might and main. I think that is the ideal situation. But, Mr. President, certain words have a way of acquiring strange meanings, once they are enacted into law, and once the courts begin to pass upon their meaning.

The evil which lies in the amendment proposed by the pending bill to the National Labor Relations Act, which has been on the statute books for 11 or 12 years, lies in the fact that it defines unfair labor practices by the employees, and therefore provides enforcement against the employees quite as much as they have heretofore been defined and enforcement provided against the employer. Against that amendment I desire to speak, Mr. President. I wish to point out that the great evil in our industry-labor relations which grew through the years was that labor did not have what should have been the ordinary right to organize and carry on collective bargaining until, for the first time in the history of our country, by the enactment of the National Labor Relations Act, labor was given that right. That right will be taken from labor, as surely as we are here today, if we attempt to modify the law which was enacted for the purpose of placing restraint upon one side. The minute we apply that restraint to both sides the old situation of all the power being on the side of the one who does the hiring and the firing will return, and the economic pressure will be so great that organization in and of itself cannot persist.

Mr. President, I believe that evils have grown out of the philosophy which began to be enunciated with the passage of the National Labor Relations Act. I realize that there have been advantage takers. I do not in any way reflect upon the honesty or upon the aims of the members of the committee who conscientiously and sincerely have become convinced that it is time to change the philosophy, to change the theory; but when the theory is changed, either through lapse of memory or because Senators know what they are doing, it will mean a return to conditions which we did not like. I am sure no one really and truly wants to see our country return to the economy of those days.

Mr. President, in all my experience in the Senate and on committees I have never known a time when more sincere consideration was given to a measure than has been given to Senate bill 1126. Day after day during the hearings the 13 members of the committee were all present. We discussed amendment after amendment, and our votes quite generally were 6 to 7. At this moment I wish

to speak a word of praise of the Reorganization Act so far as our committee is concerned. The Reorganization Act facilitates the handling of legislation of this character. It has resulted in a bill being reported which is the best possible bill, if it is once determined that the new theory which underlies it shall be adopted. It is that theory to which I am opposed.

Mr. President, let us look at the panorama of labor relations a dozen years ago and now. It is a measure of the progress which has been made. We have made progress. Before abandoning the present national policy and going back to former conditions, let me remind the Senate of what those conditions were. The real pattern of prevailing American industrial relations was most clearly brought out in the investigation of the Senate Civil Liberties Committee on which I served from 1936 to 1940. No one has ever challenged the map of affairs as brought out in that investigation. Since the present proposed legislation may easily turn the clock back to those conditions, let us take a quick look at the conditions which then existed.

Nor let us be deceived should the cry be raised, "All that is past. American business will not again engage in those practices." Witness after witness came before our committee in 1935, and said the National Labor Relations Act was necessary because the employer took such advantage of the employee that Congress must do something to correct the existing evils. The hearings before the Civil Liberties Committee showed that employers persisted, even after the act became the law of the land, in stopping the organization of unions, in placing all the restraints they could upon labor so as to make collective bargaining almost impossible. Let it never be forgotten that so great was the legal activity as well as other activity against that act that 69 men who called themselves, and who were recognized as the greatest constitutional lawyers in the land, advised their clients that it was not necessary to obey the National Labor Relations Act, because the act was patently so unconstitutional that it never would become upheld by the court.

Mr. President, some may assume that all that was evil in labor-management relations is past, and that we will never return to those evil days, but I maintain that if we change the law in the manner now proposed we merely invite the return of "the good old days." The evils which are incident to a given condition cannot be destroyed merely by saying, "We recognize those evils and we will never return to them again." That is what we may be told, but that is exactly what we were assured when the Committee on Civil Liberties began its work in 1935. We were told that business had reformed, that the days of the Homestead battle and the Ludlow massacre and the Pinkerton labor spies were gone; that industry had abandoned all that. That was told us from the witness stand. But our investigation developed the fact that such conditions had not been abandoned at all; that they were only being concealed. Our investigation tore off the mask which concealed actual practices in labor relations.

When Senators now talk, as some do, of this legislation which will put the risks back again into striking, let us recall what those conditions and those risks were.

I remind Senators that that investigation originated in the difficulties encountered by the National Labor Relations Act. The Labor Board came to the Senate Labor Committee saying, "in our very first cases we have encountered labor detective agencies as a means of frustrating the act; but they seem to be a part of a widespread system, too big for us to investigate in each separate case. We also find organized strike-breaking companies, and they, too, seem to be part of a system. We also find the system of plant arsenals for strike-breaking purposes; it, too, is too big for us to investigate by separate cases. Also, every time we try to touch these things our Board is enjoined; there are now 101 injunctions tying us up. Ought not Congress to investigate the extent of this kind of a system of labor relations?"

Mr. President, when the Smith-Connally Act was passed I opposed it, as Senators will remember. There was a discussion on the floor of the Senate between the Senator from Texas [Mr. CONNALLY], who was sponsoring and fathering the act, and myself. There seemed to be in the bill an invitation again to use the courts for injunctive purposes against labor. I asked a simple question about it. It was denied that by reference to the district court we were inviting the lawyers of our land again to use the courts in industry-labor cases. I was afraid—and I mentioned the fear—that we were actually legislating against the Norris-LaGuardia Act and making possible a return to the terrible days of the labor injunction. The Senator from Texas and others who were mentioned as outstanding lawyers told me that I need have no concern; but the time came when the court was used, and in the decision in one case a great justice referred to the discussion which had taken place when the promise was made that the court would not be used. We cannot expect lawyers who represent important clients and receive large retaining fees not to use every advantage that is open to them under the law, and which can be legitimately used. I do not blame them; but I say that if we attempt to even up what is now called the disparity in the National Labor Relations Act, as this amendment would do, we immediately return to the good old days. But on with my story.

The words which I used a moment ago were quoted from statements made by the National Labor Relations Board when it said that it was being hindered in carrying out the policies of Congress, by spying, injunctions, and so forth. The Senate Civil Liberties Committee found those conditions far more widespread than the Labor Board had suspected. Senators would do well to refresh their recollections by glancing over the nearly 100 volumes of hearings, exhibits, and reports of that committee. I quote from a committee report dated 1939:

> The flagrant manner in which the labor relations law was being flouted and violated by powerful corporations all over the country was widely known, but the sinister means used to defraud workers of their rights guaranteed by the act—espionage, criminal strikebreakers, armed strike guards, guns and tear gas—remained undisclosed until this subcommittee investigation was underway.

In exposing the facts the Civil Liberties Committee encountered every form of evasion of Senate subpenas, plus the wholesale destruction of files, by trade associations such as the National Metal Trades Association, and by great corporations such as General Motors, whose officers admitted stripping the files of their highest officials. Yet the facts were unearthed in quantity, and the committee's findings were never challenged because almost the entire testimony was from the side of the accused. The panorama was that of American industry, of the greatest corporations in the land, strongly and secretly organized to defeat unionism, to prevent collective bargaining, and to frustrate national policy as enacted in the Wagner Act. It was a system which involved the National Association of Manufacturers, on which the committee made a 300-page report, and such secret agencies as the special conference committee, which concocted the policies and the legislative campaigns for the whole antilabor system. The labor relations of this country were in truth a barbaric jungle, enveloped in a fog of court litigations, and everywhere a morass of espionage.

BACK TO ESPIONAGE

The dirty and intricate and highly skilled business of labor spying was found to be organized as a professional occupation, in great detective companies, as well as in private systems within corporations. I quote from a committee report:

> From its study of five (labor detective) agencies, the committee was able to identify approximately 1,500 companies using one or the other of these services. Yet even this staggering total is not comprehensive. Other equally important labor-spying agencies remain untouched by the committee and their clients are still undisclosed.

The committee's listing of labor-spy agencies ran into the hundreds, their big-business clients ran into the thousands; and to this day no one knows what survives of that infamous system, though we do know that the largest of the labor detective agencies went out of business after the investigation.

Let Senators recall that labor espionage was the prevailing pattern of American industry. The committee reported:

> This practice which is so abhorrent to the American concept of a free system was found to be flourishing in every quarter. Organized businesses were taking in millions of dollars for dealing in labor spies. National and local employers' associations regarded labor espionage as a regular part of their services to their members. Great interstate corporations maintained private espionage systems which rivaled the detective agencies in scope and ruthlessness. The poison of espionage was

spread throughout industry, creating strife and corroding mutual trust between management and labor.

Let us keep a few of the hard facts in mind now when proposing to turn the clock back to that day. With respect to one of these labor-spying agencies, the committee found:

> Between 1933 and 1936 Pinkerton had 309 industrial clients, many of them giants in their respective fields of industry, such as the General Motors Corp., Bethlehem Steel Corp., Pennsylvania Railroad Co., and Baldwin Locomotive Works.

The Senate committee found, as a sample, that of 1,228 Pinkerton labor spies, 331 had been infiltrated into unions; and "of these, at least 100 had held elective offices in unions, one even attained the position of national vice president of his union." Not a single important union was without its quota of hidden detective operatives, whose confessed business included union disruption, provocation of violence, and even the theft of union treasuries.

This spying extended even to Government officials. I drew from Pinkerton witnesses an account of how they surrounded the Assistant Secretary of Labor, Edward McGrady, at the time he was endeavoring to settle a violent strike and listened in on his conciliation conferences. The corporation responsible for that spying had not less than 14 detective agencies on its pay roll, to which it paid more than a million dollars in a year and a half.

Mr. President, it is an innocent remark when someone says, "This simple amendment merely makes it possible for labor and industry to be treated on equal terms. We are merely trying to bring about a balance of justice."

Is this the kind of thing to which it is well to turn back by passing legislation which will "put the risks back into striking"? That is one of the aims of the present legislation.

I do not believe there has passed from public recollection the Senate committee's hearings on Harlan County, Ky., the many cities of so-called Little Steel, and other areas where labor relations were enforced through armies of private guards and the privately paid deputy sheriff system. For decades Harlan County had been the sinkhole where any stable pattern of national collective bargaining in coal had been frustrated. The committee reported:

> In the whole county there were 300 deputy sheriffs appointed in 2 years, only 3 of whom appear to have been paid from public funds. Over 100 deputy sheriffs have criminal records, having served sentences in State or Federal penitentiaries for murder, manslaughter, robbery, and other crimes of violence. In addition to these so-called peace officers the [coal] operators maintained cruising squads of thug gangs.

The details of dynamitings and murder were spread on the committee record. It took the Senate committee's investigation, some years of cases before the National Labor Relations Board, and prosecution by the Department of Justice to clear up that one situation. Do we seriously wish to tear up the law and the Board and permit such situations to spring again to life? Few Senators who were at those weeks of hearings and saw and heard that long procession of thugs, deputies, and experienced professional strikebreakers will forget those facts and desire to legislate so as to unleash that system again.

INDUSTRIAL MUNITIONS

Another essential part of that kind of labor relations consisted in industrial munitions, in manufacturing plants stocked like an arsenal. Represented as plant protection these arsenals were found by the committee to be there for the purpose of intimidating unions and smashing strikes. Several large chemical firms had sold huge quantities of tear gas and gas guns to businesses all over this land. In addition, the listing of plant arsenals showed that certain single corporations had more weapons than the National Guard of the State in which they were located. For example, the committee reported "The Youngstown Sheet & Tube Co. had 8 machine guns of standard Army tripod type; 369 rifles, 190 shot guns, and 454 revolvers, together with over 600 rounds of ball ammunition and 3,950 of shot ammunition. It also had 109 gas guns with over 3,000 rounds of gas ammunition." Nor was it the largest; the Republic Steel Corp. possessed over 83,000 rounds of ball and shot ammunition. The committee reported:

> These industrial arsenals far overshadowed the arms and gas equipment in the hands of local law enforcement authorities in the communities in which they had plants. The Republic Steel Corp., with 53,000 employees, purchased more than 10 times as many gas guns and more than 26 times as many gas shells and gas projectiles than the police force of Chicago with the population of almost 4,000,000 souls. Taking the arsenals of these companies together there were 1,800 firearms, over 300 gas guns, over 160,000 rounds of ammunition, and over 10,000 rounds of gas ammunition. This would be adequate equipment for a small war.

The Senate committee's exhaustive hearings left no doubt of "the conclusion that these arms were purchased not for property protection but rather as a part of a labor policy."

Mr. President, I cannot help digressing for a moment to recall that in 1936, in the autumn of the year—I remember it well, because I was out campaigning—we were urged to return to Washington because it had been discovered that quantities of a certain gas had been purchased for use in some mining operations. I need not name the companies; I need not go into the matter, because they did not use the gas. But it shows exactly how thoughtless people sometimes are. After we exposed the purchase and it was acknowledged that the gas was on hand and that it was planned to use it for certain purposes which might have resulted in the death of innocent boys and girls as well as miners, a promise was obtained that the gas would not be used. The most interesting part of that incident was that one of the persons who had been asked to testify rose and said, "Senator, we did buy the gas and we were going to use it, but I think it ought to be said here, and I hope you will be happy with us about it, that we did not use the gas." Of course, he was commended for not using it.

Few Senators who attended the committee hearings on the Chicago Memorial Day massacre of 1937 will forget the testimony, including the evidence of a news reel, of the workings-out of a labor policy to change which the Congress had passed the National Labor Relations Act. Let those facts be recalled by those legislators who would again put the risks back into striking.

Mr. President, as I said in the opening of my remarks, my theory in regard to industrial labor relations is embodied in the motion I made in the industrial-labor conference in 1941. I believe that strikes are as archaic as are many of the notions of long ago as to methods of obtaining justice. I think the day of striking is gone. I think we have adequate machinery to handle the situations which give rise to strikes. I think every thoughtful person realizes that our society is organized in such a way that a mere contest between employer and employee is not merely a contest between the two contending forces, but is a contest which affects hundreds of other persons, and that a strike in its ultimate effects, is actually a strike against society.

Mr. President, the day has come when we should do away with strikes; but we cannot do away with them by inviting a more universal use of them, and by again giving to industry the old power to crush, by warlike means, the persons who wish to strike or who wish to leave their employment, for whatever cause. We are trying to correct some evils; but in doing so we shall afflict society with even greater evils if we proceed in the way the pending bill contemplates.

Mr. President, to this day there is no proof, through Federal inspection, that the arsenals to which I have referred have been dispersed or destroyed. They are still in existence. The secrecy with which great corporations acquired their arms and the methods taken to conceal them were fully brought out in the Senate committee's investigation. If we repeal the laws that at present restrain their use, we shall have no assurance that those weapons will not be handy for the new labor policy.

In the words of the Senator from Minnesota, the proposed changes are simply for the purpose of providing equality of treatment in connection with the establishment by law of what are to be regarded as unfair labor practices. The purpose of the proposals is so innocent that at first we do not think about the still greater evils which will inevitably result. The antilabor employers associations will come into being overnight. The Senate committee's investigation produced a great amount of testimony regarding the activities of trade associations and manufacturers associations, both national and local, and their share in formulating and putting into practice the general policy of frustrating national law and destroying collective bargaining. That was shown to be their primary purpose. Most of those associations still

exist. The testimony proved that they fostered every sort of maneuver against collective bargaining, and that they did so by means of false-front citizens, committees and equally false propaganda organizations, all of whose real inspiration had been hidden.

Mr. President, one organization claimed a great membership; but when we investigated we found that it had copied from a telephone book the names on its membership list. Various tactics of that sort were revealed upon investigation. One organization, whose head appeared before us, was said to be organized for the purpose of defending the Constitution of the United States. Yet when the head of that organization was asked one or two simple questions about the Constitution he showed that he had never even seen a copy of the Constitution, the original of which today is displayed in the Library of Congress. He had no idea whether the Constitution is a long document or a short document. He knew nothing about it. When I asked him to quote one sentence from the Constitution he said, "All men are created evil." That shows the situation, Mr. President.

That man was selling memberships in his organization all over the United States, for the ostensible purpose of defending the Constitution of the United States. Yet he was using the funds of that organization and his influence as the head of it and all the other influences he could bring to bear to support the antilabor employers' associations. If the whole procedure in that case had not been so serious, it would have been laughable. But in that case, numerous men and women in the United States who love the Constitution of our country, thought that that supposedly great guardian of the Constitution would be able to tell them about it and help them defend it. However, he could not even name a single authority on the Constitution. He was not sufficiently familiar with the Constitution to be able to suggest that probably the Justices of the Supreme Court of the United States might know something about the Constitution. Finally, when I pressed him for an answer, I said, "Please tell us the name of one man who teaches the Constitution or who expounds on the Constitution or who interprets the Constitution. I should like to have you name just one." He said, "Well, there are several Senators who know about the Constitution."

So, Mr. President, that is the type of thing which occurs when we allow free rein in such cases, and when we permit such organizations to sell their services in an attempt to accomplish purposes which should never be accomplished. One such was the Constitutional Educational League, which by its own testimony was proved to be not constitutional, not educational, nor even a league, but just a subsidized poison distributor. Another implement of this labor policy was a pamphlet for citizens' committees on how to organize vigilantes. Apparently anonymous, it was widely used amidst the Little Steel strike. No less than the officers of the National Association of Manufacturers finally owned up to the committee that it was their pamphlet. They had paid for it and distributed it, and it was part of their general system of attacking collective bargaining. They intensely regretted that that display of employer's free speech was frowned upon by the National Labor Relations Board.

The determined minority of employers who still want free speech and the emasculation of the national labor policy and the return to their good old days are still with us. The Senate committee reported that—

> Forty-five companies making the largest contributions to, or exerting a great influence in, the National Association of Manufacturers, purchased over 55 percent of the tear gas and tear gas equipment sold to industry.

Those same corporations are still with us. The Senate committee also reported on the methods those corporations used to break down and discipline businessmen who were opposed to their ruthless policy. Such coercion was attempted even on the chairman of the General Electric Corp. The committee reported:

> For advocating acceptance of collective bargaining, Gerard Swope was denounced as a "parlor pink" and "a dangerous man" by officials of the National Metal Trades Association.

Today the same corporations, the same forces, the same coercions exist to further a return, by legislative and other means, to the same old paradise, freed of collective bargaining.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. (Mr. THYE in the chair). Does the Senator from Utah yield to the Senator from Montana?

Mr. THOMAS of Utah. I yield.

Mr. MURRAY. I should like to inquire whether the top officials of the National Association of Manufacturers and similar organizations about which the Senator has spoken, had knowledge of the conditions which the Senator from Utah has mentioned.

Mr. THOMAS of Utah. I cannot answer that question, Mr. President. Many of the witnesses who appeared before our committee did not know what was going on.

Mr. MURRAY. It seems to me that it would almost be impossible for them not to have knowledge of it. For instance, in the corporations which engage in practices of that kind, practices similar to those described a few moments ago by the Senator, certain departments are set up in those organizations for the express purpose of carrying on activities of violence of the sort the Senator has mentioned. Of course, it seems to me it would be impossible to have set up in the office building of the management a department which was engaged in that kind of practice, without having the top officials know that it was operating and that such activity was being carried on. I know that in some of the corporations which engaged in practices of that character, anyone who went into their offices or into their legal departments could see guns stacked in the corners, and sometimes could see revolvers lying on the tables or desks.

Furthermore, I understand that some of the corporations sometimes engaged in another practice, although I do not know whether the Senator's committee received evidence regarding it; sometimes they engaged in the practice of dynamiting their own buildings, for the purpose of creating public sentiment against the labor unions. Such things really did occur. It is known that buildings have been dynamited in some industrial areas in connection with violent labor disputes which have occurred. It has been my understanding that that system would be brought back again if we do not exercise care in the character of legislation we enact at this time.

Mr. THOMAS of Utah. Mr. President, I agree with the last sentence wholeheartedly, because many of the individuals who opposed the National Labor Relations Act, and who fathered some of the injustices which have been perpetrated, have been those who during the last 10 to 20 years carried on propaganda against the act, and who sponsored and testified in favor of the passage of the pending bill.

We did not undertake our investigation as prosecuting attorneys. We were trying to clear up an evil. Some prosecutions grew out of some of the testimony that was given and that was proved to be accurate.

I am sure that many of the men who appeared, men industrially great and great in every other way, were as much shocked as was the committee itself at some of the things which happened. To answer the Senator's question, they were legally responsible for some of those things, and therefore, of course, could not be uninformed about them. It was their duty, as directors or officers of corporations, to know what was being done with the money spent by the corporations.

As in the case of the persons who refused to use the gas in the incident I mentioned a few moments ago, and who were glad they did not use it, we have learned to honor, men who have come to realize and acknowledge that practices in which they had engaged were wrong, and who have repented. The spy system is not an open evil in industry today. I do not know whether it is carried on in a secret way or not, but pretty generally the basic reforms which were attempted have been successful in eradicating many of the evils which previously existed.

What strikes me as strange is that among the industrialists who came before our committee—and there were many of them—we never saw a man who was not in some aspects at least, a great man. That is my own testimony about them. When they understand the value of procedures different from those they have been following they become converted to them. The best illustration of that and the good which comes from it is exemplified by what has happened in the steel industry lately. The steel industry was not organized until comparatively recent years. It has now not only been organized, but through the organization great bargaining processes

have been carried through to success. The whole country is benefited by the peaceful negotiations and the right kind of industrial labor relations. That has been true in the case of the electrical workers and of the automobile workers. All the great industries have been organized in the wake of the National Labor Relations Act, and it is well to point out these conditions.

Mr. President, I think it should be said that generally in the United States industry is in an extremely healthful condition, so far as labor relations are concerned. There are great corporations which have not had a strike for a generation—yea, two generations or three generations. The average laboring man and the average industrialist is carrying on as he should, and has worked in harmony with the laws which were enacted to overcome evils which had developed.

The fear is a return to the "good old days," which would invite the advantage-taker to appear again, and make it possible to destroy the great advances in industrial relations and turn back the clock very far.

I cannot help digressing for another observation. In the great coal and railway strike of 1922, I was called back into uniform, and many mines were placed under martial law. The Governor of my State had issued an order that since armed troops were in the locality, all arms owned by private citizens must be handed in. The type of employers the Senator from Montana has mentioned, the type he has known all his life, were surprised beyond words because we took their guns away, as well as the guns of the average person. They said that was not right, and they made appeals to the Governor; but we took their guns, and a degree of peace followed, and the advantage-taking which those guns encouraged has ceased to exist. Men like the Senator from Montana and myself have grown up where various industries have had their beginning in the desert, and we have seen in the little span of our lifetime everything in the way of industrial development, from the largest corporations to the smallest. There is always something to remind us how ruthless and inconsiderate, of every individual right men can become when a dollar is involved, and how hard it is to drive home to the people of our country the fact that there is something a little better than profit, and that certain human beings, even if they do not own an inch of ground, have rights.

Some have been surprised beyond words at our defending some poor fellow who could not talk a word of English, could not do anything about the condition in which he found himself. When we say, "This fellow is a human being; that the Constitution of the United States refers to persons, and that persons have certain rights as a result of the fact that the Constitution mentions persons," always the reply is made, "Of course, the Constitution did not refer to these persons. It was referring to other persons." Everyone knows what is back of such situations. Such things have happened within this generation, as we all know.

Anyone who votes for the bill as it passed the House, if he knows anything about the history of his country in the last 20 years or the last generation, will know that he is voting an invitation to a return of all the evils which made industry-labor relations abhorrent in the mind of everyone who sensed in any way a degree of genuine justice to the average man.

Mr. MURRAY. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield to the Senator from Montana.

Mr. MURRAY. I believe the Senator will concede that it could easily have been otherwise if the corporations had displayed a reasonable spirit of cooperation with labor unions. I recall that in my State of Montana, when copper miners first began to constitute an important element in American industry, the management was entirely in the West, but after mining operations had been consolidated into great national organizations, with their headquarters in New York, the situation changed very rapidly.

When the Amalgamated Corp., a merger of western companies, was first organized, in 1899 or 1900, the Butte Miners' Union invested all its treasury funds in the stock of that corporation, showing the splendid sentiment that prevailed at that time between management and labor. Within a period of only 10 or 12 years afterward disputes began to develop. Gunmen began to appear, detectives and dynamite, and all manner of violence followed in very rapid succession, showing that when management and labor are able to work together in a spirit of friendly cooperation without outside interference they can usually come to fair and decent terms, if they are both willing to give and take.

Mr. THOMAS of Utah. I agree with that wholeheartedly. No one, Mr. President, can deny the historical reference that the Senator makes. I think I should take the time to remind the Senator from Montana of the fact that the first law sustained by the Supreme Court of the United States guaranteeing to miners an 8-hour day grew out of conditions in the Western States. When one reads the decision and learns of the claim of unconstitutionality made by a person who was appealing against being restrained from working more than 8 hours a day, one cannot but feel that the logic of his position was exactly the logic that appears in the preamble of the bill that has come from the House. That bill would give to the workman freedom to do what he pleases. In the case in the Supreme Court to which I refer, the man felt himself aggrieved because, as he maintained, he was being restrained of his liberty and deprived of his rights by the State, which had said that no miner should work longer than 8 hours a day, basing their decision upon the public good. Said the miner: "My liberty is being taken away from me; I have a right to work as long as I will, wherever I will. I have a right to quit when I will. You must not in any way interfere with my liberty."

That is exactly the aim of the House bill, as may be seen by a reading of the preamble. It is to liberate men from restraints imposed by "terrible" union organizations so that they may elect where they will go and what they will do and be entirely free from a law which compels them to fit into a groove, supposedly for the good of their companions and for the good of all.

Mr. President, as I proceed with the remainder of this address, my purpose is to show that the pending amendment is in keeping with the theory which was suggested by certain persons who gave testimony in the hearings on the original National Labor Relations Act. The idea is not new; it is old. It will probably become necessary, here and there, for me to mention a name, to show that those who are supporting the idea today are the same ones who supported it several years ago. They are today supporting it for exactly the same reasons that were given at that time. It is the desire to interfere with a protection given to labor in the choice of its bargaining agent and in the choice of its organization.

In the weeks of testimony heard by the Senate Labor Committee, there were many informative witnesses, and a fair picture, at least of sharply contending recommendations, was spread on the committee's record. Besides businessmen and labor leaders there were several economists whose advice was useful. But in comparison with many hearings which I have sat through in the past decade there was a regrettable lack of testimony from labor-law experts of national repute for authority, impartiality, and great experience. Instead, we had Dr. Leo Wolman, whose views I mention because they have been repeated in radio broadcasts and otherwise, by a member of the committee, and by others. Dr. Wolman, who writes a column on labor relations almost every day, and who qualified himself before the committee primarily as an economist who had worked for a labor union and in Government service in behalf of labor objectives, stressed what he represented as a kind of law, and a very bad law, inevitably governing union activities under the majority rule, which is the core of the National Labor Relations Act. He said that this law of majority rule in unions compelled the unions to "exterminate the minority," while the same majority rule in political life worked out to conserve the minority. That is old logic, Mr. President. The phrase has been used for a very long time. It does not take much application of logic to reveal the sophistry in such an argument. Dr. Wolman was regretting the elimination of various forms of company unionism, to which he said hundreds of thousands of workers belonged until the Wagner Act came along with its majority rule in collective bargaining. That rule, he said, "exterminated this minority," implying a picture of hundreds of thousands of little white crosses of tombstones under which the minority

lay buried. What his sophistry concealed was that it was the minority policy that was exterminated, to be succeeded by a truly representative workers' organization in true collective bargaining. He also omitted to state that the hundreds of thousands of company unionists were still alive, and had joined practically en masse the great trade unions in the basic industries where the so-called representation plans, fostered by Wolman, had once flourished.

His picture of majority rule in the political field was equally specious. He gave the impression that in that field the principal design was to preserve the minority from extermination, as if the principal purpose of a citizen in voting, let us say, Democratic, was to conserve the Republican minority, or vice versa. Here again what he failed to note was that in a political election the policy or the candidate of party A is exterminated, for the time being, when party B wins the election. In short, the majority rule in an industrial democracy, which is what collective bargaining is, works out precisely the same as majority rule in a political democracy and not at all according to Wolman's thesis. Yet this sort of loose talk about exterminated minorities, as well as about labor monopolies, has been all too current in much of the discussion of the present legislative proposals.

I asked Dr. Wolman some questions about the operations of manufacturers' associations. He belittled their influence and expressed a lack of personal knowledge of them which was, I am afraid, not entirely frank, for in the record of the Senate Civil Liberties Committee's investigation there are some documents about him in connection with the special conference committee. This secret organization, which is still active, was fully revealed in our investigation as a sort of general staff or policy-making group for the National Association of Manufacturers and other trade associations. The special conference committee was the efficient laboratory which devised a great many of the legalistic traps to entangle unionism which were then urged by manufacturers' lobbyists before Senate committees. The old traps, such as amendments to prohibit coercion from any source, and other amendments to equalize collective bargaining and such fair-seeming and plausible amendments as those to render unions responsible by making them suable in the courts—all of those old antilabor entanglements were gone over by the Senate Labor Committee a dozen years ago at great length and all were excluded for excellent reasons. They all emanated from employer groups like the special conference committee, and since that committee still is secretly active, we have the same amendments proposed in a dozen different forms.

Dr. Wolman's pretended ignorance of employer groups such as the special conference committee, seems a little less than candid to those of us who remembered the record of the Senate Civil Liberties Committee. That record showed Wolman in friendly intimacy with the special conference committee in a secret meeting in a New York hotel in late 1935. There he told them that he had had a change of heart on the question of labor relations and no longer saw justification in labor's point of view. He assured them that wages and working conditions are the result of a prosperous industry and that labor unions had never contributed to the prosperity of an industry. He gave those employers some comforting predictions which in retrospect do not enhance his claims to being a labor-relations expert. He told them, and this was late 1935, that union membership has now reached its peak and is headed for a sharp decline. But when we compare union membership now with late 1935 we notice that the learned doctor missed his guess by just about 10,000,000 union members. Also he expertly advised the employers that the Wagner Act was just another "shot in the arm," but that its effects would wear off before May of 1936. In short, I am afraid that Wolman's estimates, as recently delivered to the Senate committee, may prove to be about as erroneous as his logic, though both his logic and his estimates have been enthusiastically promulgated by employers' associations, especially in the last few years.

PROFESSIONS AND PRACTICES

There are some other witnesses who recently appeared before the Senate Labor Committee whose professions sounded statesmanlike but whose past practice is perhaps a clearer indication of what they want in the way of legislation. Admittedly there has been considerable change in the tune of employer-recommendations in the past dozen years. Those of us who sat in Senate Labor Committee hearings recall what employers recommended when the National Labor Relations Act was under consideration in 1934 and 1935. Uniformly they were against collective bargaining. They were tender for individual bargaining. They stood on the constitutional right of the individual laborer to deal individually with his employer, freed of the menace of collective bargaining through trade unions. The farthest they would go collectively was in a tolerance for company unions, where the collectivism was confined to a single plant, or they would tolerate so-called employee-representation plans, of wide scope, but all thoroughly under the employer's control. We remember the moving arguments of that noted lawyer-lobbyist for the National Association of Manufacturers, James Emery, and his plausible findings that collective-bargaining was essentially unconstitutional, repugnant to the American workers and inevitably destructive of American industrial production.

Mr. President, those are the things that were said in 1935 and 1936. The same witnesses have now come before us and said, "We need collective bargaining today; we must maintain collective bargaining; all that is necessary to be done is to correct the evils existing in collective bargaining; great good has come through collective bargaining." I wonder whether those men could have stood before the committee and told the committee that collective bargaining must be maintained; that they believe in collective bargaining; and that great good has come through collective bargaining, if they had had read to them their testimony of the past. One of the witnesses, a man whom I had known for a long time, came before our committee on a day when there happened to be present the Senator from New Jersey [Mr. SMITH], of Princeton University, and the present speaker, senior Senator from Utah, of Utah University. When he saw these two old broken-down college professors, as they may be called by some——

Mr. SMITH. I thank the Senator from Utah for classing me as a professor, though a broken-down professor.

Mr. THOMAS of Utah. This man saw us sitting there, and yet he had the nerve to tell us that all the information and all the ideas he had respecting industrial relations he imbibed in the university of hard knocks, because he said, "I never learned these things when I went to the university. My knowledge of them has come from own experience." He was trying to point out to us how practical he was and how impractical we were. I looked at his gray hair and I figured that he graduated from college about the same time I did, and that he obtained his experience through hard knocks and his connection with practical affairs, and not in the academic field which the Senator from New Jersey and I are endeavoring to uphold here. There was not a single university in the whole of the United States in 1906 which gave a course on industry-labor relations. Such a course could not be had at that time.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. SMITH. In 1920 Princeton University had very extensive courses in that field, and it now has a department studying such questions. I am very happy to report that information to the distinguished Senator from Utah.

Mr. THOMAS of Utah. I thank the Senator for the date.

Mr. SMITH. It might have been before that time. I did not get back to Princeton until 1920 after the First World War.

Mr. THOMAS of Utah. I know pretty well when it started. I kept track of such things as a university administrator. It is like other subjects which have come to the front. In one university in the United States today there are 85 courses on the Orient; but at the time when the universities began to expand one could hardly find a single such course, except in the field of language or religion, or something of that kind. I believe that universities ought to grow up, just as everything else grows up. I am glad to see that in the stiff economics courses and courses dealing with the economic history of the United States, we are treating subjects which have to do with the life of our Nation. Before I am through with the discussion of this subject—not today—I shall quote from some of the scholars who have chairs in industry-labor relations, showing their views about the national labor relations

law, what it is doing for us, and what we hope it will continue to do for us.

Now the tune in the recent Labor Committee hearings has been changed. All of the employer witnesses support collective bargaining. Every one of them is in favor of collective bargaining, whereas not one of them was in favor of it in the good old days. Their testimony was full of professions, not so much of conversion but rather of original and historic devotion to true collective bargaining. It was in the name of "perfecting true collective bargaining" that they urged with unanimity a dozen simple amendments to the Wagner Act. These amendments are for the most part recognizable as the ancient antilabor stand-bys of employers designed to entangle and frustrate true collective bargaining. I do not for one moment question that certain employer witnesses were sincere in upholding collective bargaining and the present national labor relations policy. In fact, that is really the majority opinion of American industry—it is still the recalcitrant minority that is fathering these crippling "amendments." Examine the testimony of the past fortnight. The great industrialists who want to get on with production really have no expectations of destroying unionism and collective bargaining. Look at the procession of those who as their spring contracts with the unions expire, have recently completed new agreements, mostly including wage increases, deemed fair by both sides. The rubber industry, the electrical manufacturing industry, then the great United States Steel Corp., whose lead is being followed by other steel companies, then the automotive industry—one after another of our basic industries are right now in the process of continuing the collective bargaining practices to which they have become habituated, and all this without benefit of the repressive legislation for which a minority still clamors. All this is very different from the views which the manufacturers' associations urged on Senate committees when the Labor Relations Act was being debated in 1934 and 1935. At that time, be it remembered, the manufacturers' only allies in opposition to the Wagner Act were the Communists.

Let me repeat that. The only group who allied themselves with the manufacturers' associations when we held hearings in 1934 and in 1935 were those who admitted that they were Communists and stood for the doctrines of communism. At the Senate Labor Committee hearings in the spring of 1934 the Communist Party, represented by one of its chief officials, opposed the proposed act lock, stock, and barrel. The same opposition was reiterated in 1935, and it was not until 1937 that the Communist Party rushed to the support of the Labor Relations Act, implying that it had practically fathered the act.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. PEPPER. In view of the statement of the able Senator that in 1934 the only group which followed the same course as the Manufacturers' Association, which opposed the Wagner Act, was the Communists, if we were to apply the reasoning which some apply today, we might say that the National Association of Manufacturers followed the Communist line at that time.

Mr. THOMAS of Utah. I do not want to charge a similar inconsistency to some of the recent employer witnesses before the Senate committee. Despite their professions of devotio to collective bargaining there is some reason to reexamine the sincerity of their specific recommendations. For example, the head of the country's largest automotive concern, C. E. Wilson, of General Motors, was accompanied at the hearing by a personnel director, Harry W. Anderson. But this personnel director was the same official who had testified before the Senate Civil Liberties Committee; he was directly responsible for operating the huge collection of labor detective agencies employed by his corporation; he was personally responsible for destroying desired evidence; and he had asserted that while his corporation intended to dispense with Pinkertons and the rest, it would still maintain its own private system of watching the employees. Should the recommendations urged by this corporation be adopted by the Senate, they still have the same old-style equipment, and it could hardly be called true collective bargaining.

Another recent witness was the veteran counsel to the Weirton Steel Co., Earl F. Reed. He also wanted merely to perfect collective bargaining. He said:

> Until the policy of the Government becomes one of impartiality in which the various economic factors are allowed to have free play we will never correct the misconception in the minds of many people as to the rights of management in labor difficulties.

He has been associated with the labor difficulties of Weirton Steel Co. for many years. The Senate Civil Liberties Committee showed that at one period the company spent more than $23,000 for industrial munitions and labor espionage; its spies were hired through well-known strikebreaking agencies. It purchased most of its munitions from a chemical company on whose board of directors sat Mr. Reed's law partner. The National Labor Relations Board still has cases pending against Weirton Steel. I am afraid that Mr. Reed's advice, as well as his company's past practice, are hardly in the direction of true collective bargaining.

Another employer witness who recently assured the committee of his devotion to collective bargaining was Harold W. Storey, of the Allis-Chalmers Manufacturing Co. He assured us that long before the National Labor Relations Act was written, Allis-Chalmers voluntarily recognized and accepted collective bargaining. But he entirely omitted to state that the record of the Civil Liberties Committee showed that for years his company had utilized the most notorious of labor-spying and strikebreaking services.

Another witness, a vice president of the Chrysler Corp., testified before our committee in almost the same words: "We were bargaining collectively with our employees before the Wagner Act was passed."

They seem to have forgotten that he had appeared before the Senate Civil Liberties Committee and had testified—part 18, page 7891:

> We have been willing, and still are willing, to bargain collectively with them for their members. Beyond this we do not agree to go.

In other words, at that time his corporation was not accepting majority rule in collective bargaining, even though it was the law of the land. Nor did he mention the amounts of tear gas and other plant munitions purchased by his company and the hiring of the services of strike-breaking agencies, even after the passage of the Wagner Act.

Another recent witness before the Senate committee, Ira Mosher, chairman of the National Association of Manufacturers, also expressed his devotion to collective bargaining: "We do not seek to put the employee at a disadvantage in collective bargaining. Any such program would be disastrous to the country." Aside from the notorious record of antilabor practices of the National Association of Manufacturers, as found in the Civil Liberties Committee record, there is mention of Mr. Mosher's labor-relations practice as head of the American Optical Co. One purchase of industrial munitions, valued at $874, by that concern was ordered shipped to another firm so that their strikebreaking preparations could be kept hidden from their employees. The record shows that the invoice for these munitions was to be marked secret and sent to Mr. Mosher personally. These are not very clean hands with which to come before a Senate committee with legislative recommendations.

Mr. President, after one has served for 5 or 6 years on a committee such as the Civil Liberties Committee, listening to testimony of witnesses day after day, week in and week out, piling up evidence running into a hundred volumes, one feels a little bit sick of the whole business. One hates to think that our country will ever slip back again to the evils to which it was formerly exposed in the common practices of labor and industry. Yet there is before us a bill containing amendments which will invite a return to those days. I know that every person who speaks for those amendments on the floor will say—and say truthfully, so far as his own mind and heart are concerned—that there is not a man in the United States Senate and not a man in the whole Congress who would like to return to the good old days of spying, munitions, strikebreaking, and all of the other things that then occurred. No one wants such a thing, and no one would vote for this bill if he dreamed that those days would return. I know that those who are advocating the amendments feel just as sure that those days will not return as I am certain that they will return if we enact a law which will permit them to return, because the invitation is there, and it will be heeded and accepted by someone. All advantage-takers in the world, Mr. President, are not dead. The process

of advantage-taking is not a thing of the past. The mere passage of the National Labor Relations Act did not cure all the evils which were inherent in the minds and souls of men who were perfectly happy to plan for and to execute the beating up of their neighbors. Those things will again come to life if we invite them.

Let me remind the Senate what I said in the opening part of my statement, that when a provision was placed in the bill which is now known as the Smith-Connally Act to make it possible to use again the district courts, every supporter of the amendment denied that the courts would be used. The chairman of the committee who defended the bill answered the question categorically by saying:

> Great lawyers have assured me that that which the Senator from Utah is concerned about cannot occur under the bill.

But it did occur; and the fact that it occurred is written into the decisions of the Supreme Court of the United States. That was several years ago. The resort to the district courts can probably be justified in the case which went to the district courts and has been justified by an opinion of the Supreme Court of the United States. But will every case that follows in the wake of that one justified case, which is now recognized as a proper functioning of the law of the land, be justified?

Possibly in the days of the use of spies and munitions, in the days when efforts were being made to break up unionism, there were some cases which were justified. Possibly there were evil men connected with some industries and some mines who wanted to blow up those industries and mines. There were occasions when there were great explosions after the last war, when unions were being organized on the basis of hurting everyone and everything. We went through that. There were evils. But, Mr. President, when we once pass a law and it is interpreted and used for 10 years and sustained by the courts, and we then change that law to such an extent that the whole philosophy is changed, we simply invite a return to the evils which existed prior to its enactment.

It is useless for me to say that those who are sponsoring this legislation do not sense these evils. I do not think they sense them as I sense them, because they have seen abuses which ought to be corrected. The trouble with the correction of the abuses is that we set out to take advantage of certain conditions which seem to exist, by stepping into a larger field and bringing about the utter destruction of the philosophy and theory of the National Labor Relations Act which has become the law of our land.

Those are the dangers, Mr. President, and they will return just so surely as we are here, because the advantage-taker has by no means ceased to exist in the world; and the men who can turn law to their own purposes when once they are invited to do so will probably use law as it was used before, if we give them the opportunity.

My plea, Mr. President, is that the pending amendment be defeated. Judging from the vote this afternoon, it will not be defeated. My words, therefore, in a sense, are spoken in vain; but this is not the first time that words have been uttered in vain in the Senate of the United States. My words on another amendment will probably be in vain, because the line-up has already been made in the vote taken this afternoon. But, nevertheless, from time to time during the discussion of the bill and of the amendments I shall try to point out, as I pointed out this afternoon, that we are running the risk of great evils. They were pointed out in the debate on the Smith-Connally bill, and the President of the United States, when he vetoed it, accepted the theory of those of us who opposed that bill. But there was an overriding of the veto. Those of us who opposed the bill were charged with being in favor of strikes; and strikes did not cease even with the passage of that bill.

Mr. President, my plea is that we try to cure the evils themselves and not invite other evils by adopting amendments such as the one now pending which will change the whole philosophy of the present law.

Mr. SMITH. Mr. President, I desire to address myself to some features of the proposed labor legislation. I wish to say first that it is always a pleasure to me to hear my distinguished colleague the Senator from Utah [Mr. THOMAS], although I disagree with him quite profoundly in regard to the views he has expressed. I shall try to show the grounds for my disagreement. It seems to me that his approach to the problem is a negative one. As I interpret his remarks, he seems to say that there may be some evils in the present situation, but that we are in danger of bringing about many more serious evils if we attempt to remedy the ones now existing, and that if we let the terrible National Association of Manufacturers once get its hands on the situation, the country will go to wrack and ruin.

I also regret to be obliged to say that my distinguished friend, the Senator from Florida [Mr. PEPPER], who spoke on this subject a few days ago, seems to strike the same note that the Senator from Utah has struck; namely, that we face economic chaos and ruin in this country if, recognizing that certain evils exist, we try as statesmen intelligently to find a remedy for them.

Mr. President, in the remarks I shall make, I shall take a positive position. I shall endeavor to defend the bill now pending before the Senate, which I believe is well drafted and well worked out; and I shall also speak in regard to some of the proposed amendments, of which I am the sponsor of three out of the four.

Mr. President, in opening my remarks on the proposed labor legislation, I wish to express regret that it has not been possible for those of us who have had responsibility on the Committee on Labor and Public Welfare to receive a positive type of cooperation from the labor leadership. The greatest surprise I had in the hearings was the statements of both Mr. Philip Murray and Mr. Green, the heads, respectively, of the CIO and the AFL, that they could not offer us any constructive suggestions because they felt that any suggestions which might come from them might possibly involve their position or might possibly in some way impair what they call "the unconditional right to strike." I shall speak on that subject a little later.

At this point, Mr. President, I wish to say that it is too bad that today, at a critical time in our history, when everyone knows that we are having difficult management-labor problems and everyone knows that there may be wrongs on both sides, and everyone knows that, certainly, labor needs to check up on its attitudes and its practices, the men who are leading the labor movement have been unwilling to offer to our committee any constructive suggestions, except one, which was that if we would provide ways by which wages could be raised and prices could be lowered, there would be very few difficulties in the labor situation. Unfortunately, in view of the way our economic laws function, such results cannot be brought about as easily as suggestions of that sort can be made, and it is not possible to cure existing evils by undertaking to change the laws of God, which function in a certain way. We simply cannot do such things; and, especially, we cannot do them by means of Government fiat. It seems to me that it was reasonable for us to ask labor leadership to sit down with us and recognize that certain conditions should be corrected. So, I open my remarks by an expression of deep regret that that was the attitude of the labor leaders.

I also wish to express deep regret that today the wrong kind of propaganda is going out from union leadership to the people of this country, especially to the workers, as is evidenced by the hundreds of postal cards which I have received in the past few days. All of them are stated in exactly the same terms. All of them are printed with my name and address on the front, and the messages on all of them are written in pencil. Of course, they are signed by various persons, but all the postal cards contain the message, "Please vote against the antistrike bill."

Mr. President, you and I and those of us who are members of the committee, including the distinguished Senator from Utah [Mr. THOMAS], who has preceded me in speaking to the Senate this afternoon, know perfectly well that the bill which the committee reported to the Senate is not an antistrike bill. The bill does not contain a word against strikes. On the contrary, the right to strike under proper conditions is recognized. Yet the word has gone out to the people of the United States, "Tell your Senators and Representatives in Congress that they must vote against the antistrike bill"—although such a bill does not exist. I pity the poor people of this country who are left in such a state of ignorance, at a time when true statesmanship requires that the actual facts be clearly set forth and that in the attempt to solve these problems every possible effort be made to have people work together, instead of working against each other. We need to have an approach which recognizes the fact, which I wish to discuss, that, no matter what we may do in the way of

enacting legislation in an effort to correct some of the evils which presently exist, management and labor must continue to live together after the legislation is enacted.

Mr. President, I have tried to say that we wish to have both sides get together and recognize that there are wrongs, and that all of us should act together, as friends, in trying to correct such wrongs, and in condemning evil practices, and in strengthening good practices. In this bill we have done nothing to take away the rights of labor. I simply take issue with anyone who says that we have.

We have simply provided by the bill that where the so-called rights of labor have been abused, the Government must step in if third parties are affected. The Government's function is not to regulate these matters, and assume to fix wages, or prices, or what not. The Government's responsibility is to protect the public, and all the public. The American public wants the Government to recognize the evils, and to take steps to protect all our 140,000,000 people against abuses, whether the abuse is by an employer, by the great corporations which are so frequently referred to, or by labor monopolies. We have a problem, as responsible legislators, to think in terms of the American people.

So, Mr. President, I am supporting the bill we reported by the committee. I am one of the sponsors of three of the amendments which have been proposed, because I think they will help to clarify the bill and make its terms a little plainer. I wish to say, however, that I am anxious to have passed a bill which will have the support of the Congress, which will have the support of the American people, and which the President of the United States will sign. Although I am sponsor for some of the amendments, so far as I am concerned I am perfectly willing to lay the amendments aside and vote on the bill without any amendments in order to get it into conference and in final form as soon as possible. I am not pressing for that at this time, because I am going to discuss some of the amendments, as well as the bill.

Now, Mr. President, let us look at the bill, which has been described as such a terrible thing. I am referring to the remarks of the distinguished Senator from Florida, who is always so eloquent, and can always paint such a splendid picture for those who are listening. Let us look at the bill.

What I am about to say has been said before, but it does not hurt repeating, so that those among the American people who care to listen to what different ones of us are saying may get a picture of the whole management-labor relationship and obtain an idea of what we are trying to accomplish. They can draw their own conclusions as to whether what we are doing is done in an attempt to injure the workers.

Title I is an over-all amendment of the National Labor Relations Act, otherwise known as the Wagner Act, and fills the need—and I say "need" advisedly—of making that act a two-way street, after we have had the experience with it for over 10 years as simply an act to protect the rights of labor.

I wish to say at that point that I think that when the act was passed it was needed, it was necessary to set up machinery to protect the rights of labor. In my opinion, the act was passed at a time when labor was not organized sufficiently to take care of itself, and when it needed the opportunity to organize and have a voice in collective bargaining.

Let me note here that, while we are now going a little further, enlarging the act, and recognizing that there are unfair practices possible on both sides of the bargaining table, that is all we are doing in this bill. I wish to say that we do not interfere in any paragraph of the bill with the existing rights of labor guaranteed by the original Wagner Act, but we do consider the rights of management as well, and we try to define what are unfair labor practices by unions and workers, as well as by employers.

At that point let me ask, is there anyone who could possibly take issue with the intelligent approach represented by that suggestion?

We still continue to look to the National Labor Relations Board for the adjustment of management-labor relations. We would not only not abolish the Board but would increase the size of the Board, and give it responsibility to take the initiative in any case in which a labor-management dispute arose.

The Board has been given a new perspective in its over-all job to protect both parties in labor controversies from unfair practices. An attack may be made on some of the provisions of title I of the bill, but that is the aim, nothing more nor less than to make it an over-all coverage of what are unfair labor practices, no matter who may indulge in them. The bill says to the Board, "It is up to you to hold hearings and determine whether there is an unfair practice, issue your cease and desist orders, and, when necessary, to call upon the courts to help you in carrying out your orders."

Title II of the bill sets up a newly organized Federal mediation service, entirely outside the Department of Labor, and with special emphasis on its voluntary character. It cannot impose its edicts on anybody. It is mediation pure and simple, and it is set up outside the Department of Labor advisedly, because the Department of Labor is, by the terms of the statute creating it, and properly so, the advocate of the labor side of controversies. Because of that fact it has been felt that mediation and conciliation should not be left within the Department of Labor, as the wrong atmosphere would surround what is supposed to be an impartial body. So we have set up an independent mediation board. We have drawn on the experience of the past Board; we have drawn on the experience of the conciliation services, and we have tried, through experts we have had advising the committee, to incorporate procedures and studies which have heretofore been found successful in mediation. We have tried to eliminate things which, on the other side, have not been helpful, and which have appeared in previous legislation.

Furthermore in title II of the bill we provide for the extreme cases which threaten national paralysis. To meet an industry-wide stoppage of some kind which may cause injury to the health or safety of 140,000,000 people, such as a transportation strike, or a coal strike, we have set up special machinery which will enable the Attorney General, on his own initiative, to petition the courts to prevent either a shut-down or a walk-out, until the mediation processes have had time to function.

That is one of the exceptions, as I shall mention them in a moment, where there is in the whole bill any mention of the immediate right to strike, and the provision does not prevent the ultimate right to strike, because at the end of the mediation procedures we provide for a vote to be taken by the employees involved as to whether or not they prefer to strike, or to accept the last offer of management. In the event of a deadlock and a strike is not ended, the matter is referred to the President, who can use his discretion as to whether he will present the matter to the Congress, whether or not the situation is such that emergency legislation is required.

Nothing has been done with respect to the Smith-Connally Act. There is no provision for taking over property or running plants by the Government. We simply provide a procedure which we hope will be effective in 99 out of 100 cases where the health or safety of the people may be affected, and still leave a loophole for congressional action. Let me emphasize that none of us must ever admit that the Government of the United States is impotent to take care of the health and safety of our 140,000,000 people. That is fundamental in any government organization.

Whether the machinery we provide will work, no one can predict, but I welcome this emergency procedure as the first step toward finding out, by trial and error, the best way to protect the public in disputes that threaten the national health or safety. That is title II.

As I have said, title I provided simply for amendment of the Wagner Act, so as to recognize unfair labor practices wherever they may be, and give the National Labor Relations Board a wider jurisdiction to take care of such matters.

Title II would increase the effectiveness of the Mediation Service, and authorize the use of whatever steps may be necessary in a situation threatening national paralysis.

I now come to title III, which is very brief, and merely provides for suits by and against labor organizations, and requires that labor organizations, as well as employers, shall be responsible for carrying out contracts legally entered into as the result of collective bargaining. That is all title III does. I cannot conceive of any sound reason why a party to a contract should not be responsible for the fulfillment of the contract; it is outside my comprehension how anyone can take such a position.

I have heard it argued that it is a terrible thing to make labor unions responsible for carrying out their contracts, but I have a quotation here, if I can find

it, from Mr. Justice Brandeis, who was the greatest friend of labor in the Federal judicial field. He said the greatest thing labor could do would be to recognize its responsibility. This is a quotation from an address delivered by him before the Economic Club of Boston on December 4, 1902:

> The unions should take the position squarely that they are amenable to law, prepared to take the consequences if they transgress, and thus show that they are in full sympathy with the spirit of our people, whose political system rests upon the proposition that this is a government of law, and not of men.

I cannot see how anyone can take issue with so clear-cut a statement as that, or can take issue with the provisions of title III, which simply carry out the idea, by providing that whichever side is guilty of violating a contract solemnly entered into shall be responsible for damages resulting from such violation.

Mr. Brandeis also used this expression:

> I can conceive of no expenditure of money by a union which could bring so large a return as the payment of compensation for some wrong actually committed by it. Any such payment would go far in curbing the officers and members of the union from future transgressions of the law, and it would, above all, establish the position of the union as a responsible agent in the community, ready to abide by the law. This would be of immense advantage to the union in all of its operations.

Let me remind Senators again that that was the statement of Mr. Justice Brandeis, made years ago, at a time when he was one of the greatest defenders of the rights of the workingman, trying to bring about a right relationship between management and labor. Certainly no one could charge him with being a labor baiter; nobody could charge him with trying to promote vicious labor legislation.

All that has been done in title III of the pending bill is to state, in terms, the very principle that Mr. Brandeis lays down as a precept to be followed by unions who desire to be respected in the community.

I am also very much in favor of title IV of the bill, providing for the creation of a continuing joint committee of Congress to study and report on basic problems affecting friendly labor relations. That is a most important provision, because it is intended to create an official congressional body to observe the way in which labor legislation is affecting relationships between labor and management. The joint congressional committee is to conduct a continuing study of the things that make for a better relationship between management and labor. There is provision, for example, for a study of profit-sharing plans, a study of incentive plans, a study of the annual-wage principle, a study of welfare funds, and a study of the internal management of unions, so that they may be set up to protect the worker, who, after all, is a member of the union.

What is sought is to have the congressional committee make a continuing study to see how the legislation is working, and continually to recommend changes that may be positive and progressive and in line with what all Senators want, namely, a better understanding between management and labor.

I find myself very much in the dark when I hear it said, and when I read statements in the press, that the AFL and the CIO are raising a million and a half dollars with which to defeat the pending measure. Why should they want to defeat it? What is the point? If Mr. Murray and Mr. Green would not waste their money in trying to defeat the bill but would sit down with us and say, "This is what is wrong with the bill; we are reasonable men," I should be willing to talk to them. That is exactly what they ought to do. I challenge them here and now to tell us what is wrong with any of the provisions I have read here today, so far as sound principle is concerned with regard to management-labor relations.

As I said before, I should like to see a bill passed similar to the pending bill in its present form. I should like to see some of the amendments adopted. I shall support three of the four of them, but I should be perfectly willing, so far as I am concerned, to waive the question of amendments if it could be agreed that they could be laid aside and that we could pass the bill, send it to conference, and have emerge from conference a bill based upon the approach for which I am trying to speak. It is an approach to action in which all concerned could sit down together and determine what is the statesmanlike way to secure the enactment of legislation that would improve present conditions.

I would go further, Mr. President. I would have a committee appointed to wait upon the President of the United States to say to him, "Mr. President, we do not want the issue discussed any longer of whether or not you are going to veto the bill." I do not want the President to veto the bill. I want the President to join with the Congress in enacting legislation which will at least be aimed at remedying existing evils. I think that is the correct approach. I should be happy to see a joint committee, representing both Houses, confer with the President to ascertain if it is possible to write legislation which will meet the needs of the day and the demands of the American people.

There has been criticism of the bill, Mr. President. Let us lay aside the proposed amendments, for a moment, and discuss the bill itself. I hold in my hand a copy of the minority views, signed by my distinguished friend the Senator from Utah, who spoke a moment ago. In fact, it is said:

> Mr. THOMAS of Utah submitted the following minority views.

The Senator from Montana [Mr. MURRAY] and the Senator from Florida [Mr. PEPPER] were joined with the Senator from Utah. Those Senators think that the pending bill should not be passed. I have not heard them offer any alternative. They seem to feel that anything that is done will in some way curtail what they speak of as the rights of labor. I must take total issue with such a contention. Something should be done to bring the two parties into relationship so that they can understand each other, so that collective bargaining can become more effective, and so that the over-all picture will be one of a cooperative America, not an America divided by schisms and by controversies which I fear may, unless we are careful, deteriorate into class warfare. I deplore attacks made on a bill of this kind at a time when America needs to be united instead of being divided. I shall illustrate what I mean by calling attention to objectives stated in the minority views.

Mr. THOMAS of Utah. Mr. President, will the Senator yield for a moment?

Mr. SMITH. I am glad to yield.

Mr. THOMAS of Utah. Of course, there is an alternative. The Senator from New Jersey should read the opening statements, outlining the alternative for the pending bill, in keeping with the President's recommendations. It would not be difficult to prepare an alternative bill in keeping with our recommendations. That has not been done, because we have been working, as the Senator from New Jersey has been working, trying to make the pending bill as perfect as possible.

Mr. SMITH. All I can say in answer to the Senator is that the only bill offered by his group in committee was one to continue the study of the matter, and to do nothing else. The Senator from Montana [Mr. MURRAY] offered an overall bill for a study which would continue for months, but would accomplish nothing else. There have been many pages of testimony, as the result of which, it seems to me, Senators should be able to sit down now without the necessity of further study, and solve some of the pressing problems.

As I said a moment ago, in the fourth title of the bill, provision is made for a continuing Congressional committee to study the effect of the legislation and to observe its impact upon management-labor relationships. That committee would continue to recommend legislation, and if necessary, it could recommend the repeal of legislation which may not function satisfactorily. The committee is not overlooking that. I agree that that should be done. But to wait until that is done before doing anything else, in the light of the very critical situation that exists today, frankly does not seem to me to make sense.

Mr. THOMAS of Utah. Mr. President, I think the attention of Senators should be called to the fact that under the Congressional Reorganization Act it is incumbent upon the standing committee as presently constituted to do those very things. That is already the law of the land. Nobody will object, therefore, to that part of the bill. It is also, of course, in keeping with the President's recommendations.

Mr. SMITH. I thank the Senator for his comment; it is very relevant.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MURRAY. The Senator will remember that minority members of the committee voted for many of the provisions which are incorporated in the pending bill, and that the desire was ex-

pressed to have legislation which would correct many of the evils about which we are talking. All that is being sought is to prevent something being done that will do more harm than good. We are anxious to do that. It is recognized that there are certain evils that should be corrected, but, in order to correct them, it is not necessary to go so far as to injure labor-management relations.

Mr. SMITH. I may say to the Senator, I can remember very well that he and his colleagues voted for a great many of the provisions to be found in the pending bill, but when it comes to a consideration of the bill itself they are going to vote against it. It is difficult for me to understand their attitude. I regret to say that I feel that the attitude of some of the Democratic members of the committee was to vote for the mildest provisions they could find, and then to vote against the bill. I thought when they voted for those provisions they were for the bill, but now they oppose the bill.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MURRAY. The bill contains many things that we opposed and were very strongly against. Of course the Senator could not expect us to vote for the bill as a whole after we had pointed out what was wrong with it and what damage it would create. I said we were perfectly willing to support a bill which in a proper manner would recognize and correct evils without giving the enemies of labor an opportunity to remove from the statute books very valuable and important provisions to protect the rights of organized labor which have been put there after years of struggle.

Mr. SMITH. I am glad to have the Senator's comment.

Mr. THOMAS of Utah. Mr. President——

The PRESIDING OFFICER (Mr. JENNER in the chair). Does the Senator from New Jersey yield to the Senator from Utah?

Mr. SMITH. I yield.

Mr. THOMAS of Utah. Another phase of the situation which should not be overlooked is that the pending bill is an amendment of the National Labor Relations Act. That is what we are discussing. The National Labor Relations Act is upon the statute books. Surely to oppose this bill would mean that we are in favor of the law as it is administered under the National Labor Relations Act. If it is simply a question of an alternative, there are plenty of alternatives that can be offered. All my remarks this afternoon were in defense of the National Labor Relations Act, which is the law of the land.

Mr. SMITH. I am glad to have the Senator clarify his position on that point.

I want to continue, if I may, because the minority views charge that the bill would call a halt to progress in industrial relations. I am quoting from the minority views, which set forth the following reasons:

1. It—

That is the committee bill—

excludes entirely from the number of those who are to benefit under Federal legislation certain "agricultural" workers who are in reality industrial workers, and supervisors, who also have their problems.

In the existing Wagner Labor Relations Act, agricultural workers have heretofore been excluded and we are not taking any new stand on that subject. That is the situation we have now. It is a question whether they ought to be excluded or not. That is one of the questions I should like to have the proposed joint congressional committee study, because I realize that there are certain industries, such as the canning industry, related very closely to agricultural workers, where some exception might be made. But generally speaking the agricultural workers of the Nation, certainly in my State, do not want the principles of union labor applied to the farms. I am very sympathetic with them, because the situation on the farm is so different from what it is in the factory. On the farm the hours of labor which prevail in industry cannot be observed.

When it comes to supervisors, it is simply a question of finding a definition of what is a supervisor, and that is all the bill aims to do. It recognizes a supervisor as representing management, and not representing labor, and where the supervisor has to represent management, it seems only proper that he should not be in the category of being union-minded because unfortunately controversies between management and the unions do occur. That is all the supervisor provision takes care of, and it is a perfectly reasonable provision. I do not see how anyone can possibly object to it.

Let me read the second objection that is made by the minority in its views on this bill:

2. It slices a wedge out of the Norris-LaGuardia Act by making application for labor injunctions mandatory in certain types of labor disputes.

The only comment I can make on that statement is that we were very careful in this bill to protect the injunctive process as it is protected in the Norris-LaGuardia Act, except in exceptional cases where the Government has to step in. In national paralysis cases we permit the Attorney General to step in, and in the boycott and jurisdictional strike cases we permit the National Labor Relations Board to step in; and there is no other approach to the courts for injunction except in those two situations.

I insist that the Government of the United States should have the right to secure an injunction when an injunction is necessary in order to protect the health and welfare of our people.

This is the third objection raised in the minority views to the bill:

3. It calls for the splitting up of trade-unions in many industries where collective bargaining is working well.

All that is done in this respect in the bill is to preserve the independence of craft unions if the members of the craft so desire.

4. It gives an undue recognition to company-dominated unions by requiring that they be placed on the ballot under certain circumstances.

Under the bill, if the union continues to be company-dominated it is not eligible to be placed on the ballot. All we are doing here is to protect independent unions. If they can prove they are independent unions they are entitled to be placed on the ballot. It is distinctly provided in the bill that if unions are company-dominated they are not eligible. So, again, the writers of these views have failed to make the correct interpretation of the bill.

5. It requires that charges of unfair labor practices be filed within 6 months after their commission—the shortest statute of limitations known to the law—thereby offering a premium to those employers who conceal commission of unfair labor practices.

Of course that works both ways. Whatever the term of the statute of limitations there will be objections made to it. I remember last year when we were discussing a statute of limitations for the Fair Labor Standards Act the question was whether it should be 5 years or 3 years, and the bill, as passed, contained a provision for 2 years, which was objected to by some. There must be a limitation as to time, and it seems to me that in this type of thing which the National Labor Relations Board has to keep track of, within 6 months the complainant against an unfair labor practice should be able to bring it to the attention of the National Labor Relations Board. I think that is the present rule which the National Labor Relations Board has adopted for its practice.

6. It weakens the Conciliation Service by removing it from the Department of Labor, where it properly belongs, for no reason other than the desire to do something, regardless of merit.

I have already referred to that in the set-up of the new Mediation Service, pointing out that the Department of Labor quite properly is the proponent of the cause of labor. The Department of Labor has to represent one side of the controversy. It would be inconsistent that the Mediation Service should be in the same department. We simply make it independent, so that the accusation cannot be made that the Mediation Service is biased.

I come now to the next point made in the minority views:

7. It severely limits the right to strike in a variety of circumstances.

Mr. President, I wish the writers of these views had read the bill carefully, because the only limitation on the right to strike is in national paralysis cases where the Government under certain circumstances, where a Nation-wide industry is concerned, and Nation-wide paralysis is concerned, can obtain an injunction. That is not severely limiting the right to strike. That is something which protects everyone. The other case is one with respect to which the Senator who now occupies the chair offered a proposal. The amendment which the Senator from Indiana [Mr. JENNER] offered very properly provided that if

a strike is in prospect notice shall be given respecting the requested terms of contract so that both sides may get ready and face the inevitable. Other than that, there is no limitation in the bill on the right to strike.

That is why I am very much disturbed to receive hundreds of telegrams, evidently dictated by union representatives, telling me to vote against the antistrike bill, when there is no antistrike bill. The people are deceived as to what we are trying to do in order to correct these abuses. It is amazing to me that such misrepresentations of fact should be made, stating that the bill limits the right to strike in a variety of circumstances, when the only cases are the ones which I have mentioned.

To continue with the points made by the minority:

8. It requires the holding of elections by the Federal Government on the issue of union security, and the holding of other elections before certain strikes become legal, despite the unhappy experience of the Smith-Connally Act.

In the Smith-Connally Act there is no reference whatever to this situation. There is no reference to such elections. It involves an entirely different matter. If a strike were contemplated, notice had to be given a long time in advance, which was always done, because a strike was contemplated when the discussions began. This bill simply provides that in the case of the union shop, before a man can be told that he cannot earn a livelihood unless he joins the unions, the workers themselves, by at least a majority vote, must decide that they want a union shop. If there is anything unfair about such a provision, I should like to know it. It was my position in committee that we ought to require at least a two-thirds vote. If we are to say that a man cannot earn a livelihood unless he joins a union, I say that there should be at least a two-thirds vote.

We permit the union shop because we realize that by agreement between employers and employees it is proper to have a union shop. So I take issue with the statement that the holding of elections is an impairment of some rights of the workers. It is the very thing that the workers want. If those who wrote the report could read the letters which I have received from workers, and from the wives of workers saying that they wished there were some way by which their husbands could express themselves in union meetings, or some way in which there could be a vote before a strike was called, they would realize that the workers want some such protection of their freedom. So I take issue very strongly with the criticism in that paragraph of the minority views.

9. In a multitude of ways it hampers the effectiveness of the National Labor Relations Board.

That obviously is a very biased, prejudiced statement. The bill enlarges the National Labor Relations Board. The Board is told, "You are a judicial body, and no longer a prosecuting body. You have the responsibility of deciding what is right and just, not only in behalf of the worker, but also in behalf of the employer." Thousands of small employers throughout the country need such protection from the National Labor Relations Board. We are in no way curtailing the activities of the Board or hampering its effectiveness. We are giving the Board a status of dignity as a body to exercise judicial functions.

10. It requires labor unions to file burdensome reports with the Secretary of Labor under penalty of denial of rights under the National Labor Relations Act.

If it is burdensome to file a report showing who the officers are, and what salaries they receive, then that criticism may be justified. The information is not made public. It is filed with the Department of Labor, and it is available to members of the union, who have a right to know those things. We are trying to protect workers against the abuses which have crept into some labor unions because of the kind of management they have. I am happy to say that some labor unions already follow this practice. I am glad to pay tribute to the CIO for its very full reports.

11. It provides, in the case of union-employer suits alone, that suits may be brought in Federal courts without the ordinary jurisdictional requirements of the amount in controversy and diversity of citizenship.

So far as that particular provision is concerned, I have already covered that in my previous discussion of the national paralysis cases, involving injunctions, and the case of the National Labor Relations Board. In the special instances of boycotts and jurisdictional strikes there is provision for going into court and obtaining an injunction to restrain the activity, when damage is imminent.

12. It disregards in material respects President Truman's suggestions for the establishment of an investigating commission on labor problems.

It differs from President Truman's suggestion only in that the suggestion which he made was embodied in a bill introduced by the Senator from Montana [Mr. MURRAY], to which I have heretofore referred, and which suggested that we continue to investigate before taking any action. I cannot defend that course. So far as title IV is concerned, I think it covers everything which President Truman wanted included, except that he wanted a much larger commission than that for which our proposal provides.

Mr. President, I think I have covered, as I see them, the objections to the bill made in the minority views. It seems to me that there is a complete misconception of the spirit and purpose of the bill and of what we are trying to do to bring about a better relationship between management and labor. The minority views entirely ignore the necessity of doing something constructive at once in order to cure existing evils.

I should like to continue a little further on this difficult question and make some comments on the various problems facing us. I recognize that in this picture there are three large, difficult issues, and I shall deal with them all briefly.

The first is the question of the so-called closed shop. I admit that when I first began to study this subject I found no way to justify in my own mind the principle of the closed shop. It seemed to me to be a denial of freedom of action to any worker to say to him, "You cannot earn a livelihood unless you join the union." On that point I should like to read again from the writings of the late Justice Brandeis, who was quoted by the Senator from Florida [Mr. PEPPER] on this question. Mr. Brandeis goes much further than I go, for reasons which I shall state a little later. Some years ago he came out very strongly against the closed-shop principle, on the ground that it was a denial of American liberties. On February 26, 1912, in a letter to Mr. Ray Stannard Baker, who was a good friend of his, he said:

It is an essential condition of the advance of trade unionism that the unions shall renounce violence, restriction of output, and the closed shop. * * * the American people should not, and will not, accept unionism if it involves the closed shop. They will not consent to the exchange of the tyranny of the employer for the tyranny of the employee. Unionism, therefore, cannot make a great advance until it abandons the closed shop.

Again, in a statement before the Senate Committee on Interstate and Foreign Commerce on December 14, 1911, he said:

I think there is no man or body of men whose intelligence or whose character will stand in absolute power, and I should no more think of giving absolute power to unions than I should of giving to capital monopoly power. I believe that experience will teach the labor unions that they can never succeed in a large way as long as they insist upon the closed shop.

In the bill we recognize that it would be unfair to the ordinary workingman to permit the closed shop, as such, to continue, that is, to compel an employer to go to a union and obtain a union man. However, I discovered from correspondence with employers and workers in my own State that there were cases in which the so-called union shop was justified, by agreement between the employer and the employees. We provide in our bill for the so-called union shop. That is to say, the employer can employ anyone he desires to employ, but within 30 days after employment the employee must join the union, provided that there has been a vote in the plant, and at least a majority of the workers in the plant have voted for a union shop; and provided also that membership in the union is open to the worker on terms as favorable as those extended to the existing membership, so far as dues and initiation fees are concerned. We included those provisions in the bill so there could not be unjust discrimination against a new man and there could not be a continuation of some of the charges we had heard that unfair initiation fees were charged, and so forth. We incorporated those provisions in the bill so as to pro-

tect the worker. The union does not have to take a man; it can impose any terms it wants to, but if it imposes on a new man terms which are more onerous than the other workers have, if the union goes outside the field of union initiation fees and dues, then the man may not be compelled to join the union as a condition of employment.

We have tried to recognize as fairly as we could the distinction between the closed shop, which we do not think is right—that is, to say that no one can be employed except a member of a union—and the union shop, which may have an agreement between employer and employees.

I want to read an illustration of that distinction, because I think it brings out clearly the kind of union shop which I think is thoroughly justified. I will read into the RECORD a letter from Mr. Glenn Gardiner, vice president of the Forstmann Woolen Co., of Passaic, N. J., dated April 17, 1947, addressed to Mr. Charles Serraino, business manager, Passaic Joint Board Textile Workers Union of America, CIO, 205 Madison Street, Passaic, N. J.

I may say, before I read the letter, that in this particular plant for some years, to my certain knowledge, Mr. Gardiner and his associates have been endeavoring to work out with the heads of the local union a program of relationship between management and labor, which has been very successful.

Mr. Gardiner's letter is as follows:

At the time when organized labor is under severe legislative attack, occasioned by excesses in certain areas by some labor leadership, I think it is appropriate that we give some tangible expression of our confidence in the union with which we deal.

Here is a case of management and labor acting together on this principle.

Frankly, the legislative measures which are being proposed seem to have little application to the relationship existing between our company and our union, because I feel that our bargaining together is carried on in an atmosphere of mutual confidence and respect, and with an underlying recognition of the interests which we have in common.

Accordingly, we are voluntarily—

I stress the word "voluntarily"—

extending to the union the privileges of a union shop to be effective as of June 1. This will give those workers who have not yet joined an opportunity to voluntarily become members of the union and to assume their share of the responsibility for the constructive work of the union.

I am attaching a copy of a bulletin which is being posted throughout the mills to announce this decision on the part of our company.

Mr. President, I ask unanimous consent to have inserted at this point in the RECORD the notice which was posted in the shop, setting forth the union-shop principle in that particular plant.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

APRIL 16, 1947.

UNION SHOP

For nearly 3 years, the Textile Workers Union of America, CIO, has been the official bargaining representative for mill workers of our company. During that time, the union and its leadership have demonstrated their dependability and readiness to recognize the common interests of the company and its workers.

Because the conduct of the union has been such as to deserve the confidence of the workers, the membership in the union has experienced steady growth, to the point where now more than 95 percent of workers in the bargaining unit have joined the union. In this way our workers have themselves demonstrated by overwhelming numbers their faith in the union. Therefore, it seems only fair that the management also should indicate its confidence in the union and its leadership.

The management, therefore, is voluntarily demonstrating its faith in the future of cooperative relations by granting to the union the privileges of a union shop, to be effective on the first of June.

In the meantime, those few remaining workers in the bargaining unit who have not yet joined the union, will have the opportunity to voluntarily do so.

The management hopes that those who have not yet joined will recognize that the constructive efforts of the union in behalf of all workers in the bargaining unit will deserve their support as members.

As of June 1, when this becomes a union shop, all workers in the bargaining unit who have been with the company for 30 days or more, will be expected to be members of the union as a condition of employment.

GLENN GARDINER.

Mr. SMITH. I mention that matter because I feel that it is of first importance as bringing about what we on the committee believe is right—namely, that if there is an arrangement by which a union shop is voluntarily established in a certain plant, and if the workers in the plant want to have a union shop, there seems to be no reason why that arrangement should not be maintained.

As I have said, I have received so many letters which indicate to me that there are conditions in which a union shop is working effectively that I do not feel that we should absolutely ban the closed shop or union shop. But there is an ideal type of case where the parties voluntarily agree. In the statement which has been filed with us, it is said that 95 percent of the workers in that particular plant desire to have a union shop. So when the great preponderance of the workers want to have a union shop and the employer is willing to have it, we find that the proper atmosphere is created by that kind of cooperation.

I make these particular remarks in regard to the amendment with reference to the closed shop and the way in which the committee dealt with it. I have great difficulty in seeing how my distinguished friends on the other side of the aisle can take issue with that disposition of the closed-shop or union-shop principle. I cannot see any way in which that treatment of the matter deprives any worker of his rights. It provides an opportunity for the establishment of a union shop in cases in which the workers themselves agree with their employer to have a union shop.

Mr. President, I have mentioned the closed-shop problem as one of the big issues. I wish to mention now a second big problem which confronts us, namely, the whole matter of industry-wide bargaining. I want to state for the RECORD that on the basis of the study which I have made of this subject, I am at the moment opposed to the enactment of any legislation which will prohibit industry-wide bargaining. I think that we should not go that far until we know much more about the subject, although I believe that in certain fields we should put up a caution sign.

I wish to read into the RECORD at this point a letter which I have received from Prof. Richard A. Lester, associate professor of economics in the Department of Economics and Social Institutions, Industrial Relations Section, at Princeton University. I asked him his views on industry-wide bargaining. He wrote me as follows:

I am writing to ask you not to make the mistake of voting to prohibit national or regional collective bargaining on a multiple-employer basis. I have made an extensive study of such multiple-employer bargaining both in the West and in the East in such industries as pulp and paper, pottery, pressed and blown glassware, flat glass, textiles, men's and women's clothing, women's hosiery, and the stove industry.

I may add there, Mr. President, that I have received communications along the same line from various employers in industry. I read further from the letter:

Many of these industries have important plants located in New Jersey. This is especially true of silk and rayon finishing and dyeing, women's hosiery, pressed and blown glassware, pottery, clothing, and the stove industry.

As you know in some of these industries there has not been an authorized strike for as long as 20 to 55 years. I refer particularly to pressed and blown glassware, pottery and clothing. The same is pretty much true of women's hosiery in this State. In view of these circumstances I think you appreciate what an unfortunate thing it would be to embody in legislation provisions that would completely upset the fine relations that have been built up in these industries. From traveling around the State talking with both employers and labor officials, I am sure that there is a strong sentiment on both sides in favor of preserving the fine relations that they have worked out during the past decades and that have resulted in so much industrial peace in these industries.

So far as I can see there is nothing objectionable in the arrangements that these industries have worked out for the negotiation and peaceful settlement of their labor problems. The claim of monopoly cannot be pressed against them nor has there been any charge of jurisdictional disputes, racketeering, secondary boycotts, etc.

I realize, of course, as do labor leaders when they talk to you in confidence, that there is need for labor legislation to remedy certain abuses that have grown up such as those mentioned above; but it would be a serious mistake in trying to remedy abuses to destroy the good things that have been developed through long periods of trial and error and mutual discussion and confidence.

The problem of industry-wide strikes is a problem not of multiple-employer bargaining on a national or regional basis, because there have been a large number of industry-wide strikes with individual-company bargaining. The problem of strikes in essential industries or that threaten the health and safety of the general public has to be dealt with in terms of governmental authority to intervene in such strikes and to settle them through third-party action if necessary, and should not be attempted through

the destruction of systems of harmonious relationships that have been built up from long experience. Breaking up these satisfactory arrangements would only involve a great deal of industrial turmoil and unrest, the development of a large number of strikes in industries that now have peaceful relations, and the need for hundreds of negotiations and agreements with a much greater possibility of disagreement and dispute than now exists under multiple-employer bargaining, such as the annual conference of the pressed and blown glassware industry at Atlantic City. Such negotiations are really a model of democratic unionism working out in practice through appeals not to emotion, but to a rational understanding of the economic problems of an industry.

I hope you will see from the above why I feel so strongly that it would be a real injury to the State of New Jersey and important sections of the industry of this State to pass legislation that would involve the disestablishment of the fine arrangements and relationships that have been developed by labor and management in such industries as those mentioned.

Yours sincerely,

RICHARD A. LESTER,
Associate Professor of Economics.

In short, Mr. President, Professor Lester makes out a very good case for our not jumping precipitately into abolishing Nation-wide bargaining in cases where such bargaining has been set up in industries of that kind.

There are evils in connection with industry-wide bargaining, and I shall speak of them now, because the second amendment offered by the Senator from Minnesota [Mr. BALL], in which I collaborated, deals with the question of industry-wide bargaining. Although it distinctly does not outlaw industry-wide or area-wide bargaining, as the House bill does, it carries out the original intent of the Wagner Act and gives the right to employees to make such arrangements with their own employers.

I read from the report of the committee on this matter:

> Thus Nation-wide bargaining may be authorized by the unions, say, in the coal fields, but if any local becomes dissatisfied it may withdraw and sign up with its own employer just as employers today may withdraw from an employers' association and sign up with their own employees.

In other words, it gives an option for a local to withdraw from an industry-wide set-up, but does not go the whole way of outlawing industry-wide bargaining. Because I think it is entirely just and fair to make that distinction, I am one of the proponents and one of the sponsors of the so-called second amendment offered by the Senator from Minnesota [Mr. BALL], which will come up for action after we have disposed of the first one. I think that distinction is worth making, because there is a real distinction between those two cases.

The third problem which I have found in studying management-labor relations is the question of compulsory arbitration. Is there any kind of case in which compulsory arbitration can be defended? I think we are generally agreed that we are not prepared to go that far yet, even in national paralysis cases; and in the bill we have not gone so far as to say "You must arbitrate."

I have already analyzed the procedure under the bill, and I shall not repeat that analysis. I merely state here that it seems to me that the time is coming when we must be possessed of sufficient statesmanship to find some way, somehow, to prevent, in certain types of industries whose functioning is necessary to our existence, a stoppage of production which may interfere with the health and safety of our people. We must develop some procedure to settle disputes in such industries, and make it plain that the Government cannot tolerate stoppages of that kind.

I should like to have inserted in the RECORD at this point, as a part of my remarks, without subjecting my hearers to a detailed reading of it, an article written by me, and published in the April issue of The Republican magazine. The title of the article is, "Is There an Absolute Right to Strike?" I think the article is very pertinent to this whole discussion and particularly to the question of how far we should go in making legislative provision in regard to the absolute, unconditional right to strike, no matter what the circumstances may be.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS THERE AN ABSOLUTE RIGHT TO STRIKE?

(By Senator H. ALEXANDER SMITH, New Jersey, member of the Senate Labor and Public Welfare Committee)

In all the hearings before the Senate Committee on Labor and Public Welfare involving legislation to cure some of the obvious abuses that recently have been threatening the welfare of our country, the stone wall that we run up against, continuously, is the so-called absolute right to strike.

IS A STRIKE SACRED?

At a time when our labor leaders should be in the forefront of those who are trying to correct the existing evils, we find them saying: "We regret we can make no suggestions because anything that would tend to correct labor evils might impair the right to strike." They say that any impairment, even the so-called cooling-off period, creates involuntary servitude. The apparent complete vacuum of ideas of William Green and Philip Murray, for example, is profoundly distressing. To them, the right to strike, as they define it, is more sacred than the health, safety, and welfare of 141,000,000 Americans. They even feel compelled, in their public statements at least, to imply support of the defiance of the Government by John L. Lewis.

I am one of those who has tried sincerely to support the labor-union movement. I believe in it profoundly. I believe our workers should have the right to organize and to have representatives of their own choosing; I believe in the collective-bargaining process; I believe that management and labor can and should settle their differences without the intervention of government. But this great country of ours is doomed the minute we admit that the Government can be defied by any individual or by any group or that any minority seeking its own ends however worthy they may be can place those ends above the welfare of all the people. The very purpose of government is to protect all our people from monopolistic privileges, vested interests, or the uncontrolled power of any groups in our midst.

As for the so-called absolute or unconditional right to strike—there are no absolute rights that do not have their corresponding responsibilities. Under our American Anglo-Saxon system, each individual is entitled to the maximum of freedom, provided however (and this proviso is of first importance), his freedom has due regard for the rights and freedoms of others. The very safeguard of our freedoms is the recognition of this fundamental principle. I take issue very definitely with the suggestion that there is an absolute and unconditional right to concerted action (which after all is what the strike is) which endangers the health and welfare of our people in order to attain a selfish end.

ANYONE HAS THE RIGHT TO WORK

Nor can we leave the matter there. We may agree that no man should be compelled to work under conditions to which he has not voluntarily agreed. Any individual has the right to quit his job at any time. But this is a very different matter from his quitting with his fellows under a concerted arrangement to force his demands on others, irrespective of the rightness or wrongness of those demands. This distinction is especially important since, under the Wagner Act, he has the right, after the battle is over, to insist on his status as a continuing employee.

Under the Wagner Act as it now stands, the collective bargaining process was legalized and a labor relations board set up. It is that board's duty to see to it, first, that the worker is protected in the bargaining process and, second, that the employer does not use his economic strength to exploit the worker. Under the act, we have recognized that when management and labor come to the end of the road of the bargaining process, a stoppage of work may be preferable to compelling either party to continue a relationship that is not voluntarily entered into.

This was a necessary step in the evolution of management-labor relations. It was necessary because we have not been able to invent any form of judicial procedure which would do justice to both parties in a labor dispute, and would bring about what both parties would look upon as a satisfactory settlement without a work stoppage. If we are honest with ourselves, however, we must frankly admit that in recognizing the strike at all, we are approving a medieval system for the adjustment of disputes.

WE STRUGGLE OVER FREEDOM VERSUS JUSTICE

Mankind has struggled through the ages over this principle of freedom and justice. As far back as Biblical times we find the principle of retaliation—"an eye for an eye, a tooth for a tooth"—which permitted the aggrieved party to retaliate in kind for an injustice done to him. In our Anglo-Saxon law, the principle of self-help was permitted until a fairly recent date. Self-help recognized the power of might; if between two individuals there was a difference, it was a crude way of permitting that difference to be settled so long as the interests of a third party were not affected. Illustrating this great principle is the history of our West, where once contending parties "shot it out."

Unfortunately, in all disputes of this kind, which become violent before they are settled, innocent bystanders were injured and it was recognized that certain kinds of disputes might lead to a breach of the peace and might damage whole communities. In the course of time the Anglo-Saxon people, following principles laid down in early Roman law, developed tribunals of justice where disputes could be heard, and where parties were compelled to submit their disputes for determination in what came to be courts of law. After the judgments of such courts were announced, the parties were compelled to accept them and were not allowed any longer to rely on the earlier principles of retaliation and self-help.

I have gone into this detail to emphasize the point that in management-labor relationships we still admit the self-help principle. When free bargaining comes to the end of the road, we insist that the dispute be left to the disputants. We say to them,

to use a slang expression: "Now you can slug it out—may the better man win." We have permitted the rule of force and might to determine the issue with no reference to the more fundamental question: What is right and what is just?

When employers were strong economically—when they could oppress and exploit their employees—we did not try to determine the principles on which the disputes might be settled on the basis of right and justice. Through the Wagner Act, we gave the workers a stronger position at the bargaining table. Then we let them "slug it out." Now many of us feel that the strength given to workers through their unions overshadows the strength of the employer-management group, and there is much sentiment for equalizing the weight of the "brass knuckles" on both sides. (I use the expression "brass knuckles" advisedly instead of "boxing gloves.") We delude ourselves that if there is an equality of armaments, there will be labor peace. This is like saying that if every nation in the world could be absolutely equally armed there would be no more international disputes. It is the balance of power principle.

EQUALIZING ARMAMENTS DOESN'T MEAN PEACE

But we have been struggling with this principle for some time in the international field, and we know that equalizing armaments or limiting armaments does not and cannot bring peace. The issues are far deeper and we are obliged to find some way in any dispute, no matter what its nature, to answer the question, "What is right and what is just, especially to protect the weak?" rather than, "Who can be strong enough to win in a death struggle?"

That is one reason we voted recently for optional adherence to the World Court, surrendering a measure of sovereignty—so that international disputes which are justiciable may be settled by judicial procedures and not by resort to arms. In labor-management disputes, on the other hand, we still function under the so-called Wagner Act, the National Labor Relations Act. Well-meaning as it was, its effect has been to intensify the conflict—to raise barriers between employers and employees and make them contending parties where they should be partners in a common enterprise to produce the necessities and luxuries of life for our Nation and the world. If we attempt further to equalize the brass knuckles instead of going to the heart of the matter, which is to bring about understanding human relationships, we only extend the days of these difficulties and conflicts and ally ourselves with those insidious forces in our country which are aiming to divide us on the basis of class.

So today American statesmanship finds itself challenged—challenged to establish tribunals, call them labor courts or what you will, to which persons aggrieved can go, where their cases can be heard and justice done. We still can perfect and develop the voluntary collective-bargaining process; we still can support the mediation and conciliation service of the Labor Department; we still can call on the parties to the dispute to settle their differences between themselves. But suppose when we come to the end of that road, we find that the inability of the parties themselves to settle their difficulties is going to lead to the impairment of the health and safety of our whole population, or large segments of it—is going to lead to a national paralysis of our economic life as in the case of a transportation strike or a coal strike or a steel strike? Then are we not justified in saying that this is a matter that concerns the public interest? Are we not justified in saying that the parties must settle this dispute among themselves without stopping production and threatening our national life?

I believe we are. I believe that if they decline to do so within a reasonable time, on the initiative of the Government of the United States they should be brought before some properly composed tribunal. That tribunal would have jurisdiction definitely to say that concerted work stoppages would not be tolerated, and that, for at least a limited period, the parties must continue under such and such terms and be obligated within that period to come to an agreement. If they still were unable to agree, there should be a heavy penalty imposed on whichever party the court found to be at fault and whichever declined to cooperate with the award made. The court must have power to cite for contempt those who fail to obey its judgment, and to inflict such penalty as should be inflicted on any of our citizens when they defy the power of government to protect all the people.

WE AVOID THE REAL QUESTION

The whole issue can be summed up this way: we are confused because we do not courageously face the answer to a very simple question. We try to answer the question: "Who is right or who is economically strongest in a life and death struggle?" We should be trying to answer: "What is right and how can we do substantial justice under these conditions?"

Many students of these matters are already developing criteria and formulae which properly could be applied in management-labor disputes where the parties cannot agree. These criteria and formulae can be developed, in my judgment, in the course of time into a code to govern management-labor relations. I strongly favor the recommendation of President Truman that a committee be set up, composed of leaders of management, leaders of labor, and members of the Congress, who would explore the specific question of how we can develop such a labor code, to be applied only in cases where the parties are unable to get together themselves, and where a "national paralysis" threatens in consequence.

However, I would oppose the appointment of a commission that would simply go on a fishing expedition to review again the myriad of possible regulations that could be imposed on one party or the other. Neither am I desirous of developing further the equalization of "brass knuckles."

On a broader basis, I am profoundly interested in developing the right kind of environment for the worker and his family in our American life; in the way he can receive a proper reward for his contribution to national production; in the way he can be stimulated to be a part of the enterprise in which he is engaged by proper incentives, either for him individually or for his group of workers; in profit-sharing plans; in a satisfactory solution of the annual wage issue; in a proper handling of health and welfare funds—whether by individual industries taking care of their own people, or by an expansion of our social security system; the whole question of profits; the question of lower prices so that all our people may participate in the fruits of our production and gain a higher standard of living; and similar suggestions which can be brought out in the consideration of our American free enterprise system.

This is a matter that comes down to the simple but important problem of human relationships. The size of our industrial establishments has broken down the personal "family" relationships of the smaller industries of bygone days. In dealing with people in the mass we unfortunately have been tending to treat labor as a commodity to be bought and sold for a price; a commodity which, under the Wagner Act, is cold-bloodedly bargained for. We must find some way to correct this atmosphere of antagonism and come back to recognition of the principle that in order to attain the production we will need, for both the prosperity of our country and of other countries, there must be a happy environment in which the individual works, and where he becomes enthusiastic about the quality and quantity of his industry's output. It must be a partnership principle; we must in some way see to it that management takes a more personal interest in the welfare and prosperity of the workers, while the workers have a more personal understanding of the problems of management.

WE CAN PROGRESS

These considerations may look a long way ahead and will, perhaps, be characterized as too idealistic and seeking the millennium. I am willing to accept that challenge because progress always has come from the leadership of those who "hitched their wagon to a star." We can progress even though we cannot attain immediate perfection. But first, we must put ourselves on the right road. All our legislation must be directed toward establishing ways and means of determining what is right in these controversies and putting an end to this continuing struggle of might.

America cannot afford the luxury of division among her people. The world looks to us for leadership because we have been the land of the free and as a free people we must maintain the principles of unity and equality of opportunity. Unless we lead, the other nations of the world are going to falter. Should we fail in a crisis such as the present, civilization may well be doomed.

Mr. SMITH. Mr. President, in this connection I should like very much to point out that I come to the conclusion that, after all, the strike weapon, while we recognize it as a legitimate one, is a force weapon; it is a self-help weapon. The strike field is the only field I know of, in our life as a civilized Nation, where we tell the people on both sides of the controversy, "There is no way to settle your dispute except by determining who is the strongest in a knock-down and drag-out fight." If we know of no way of proceeding in such a case except to have the parties to the controversy determine which one is strongest, and if we are unable to proceed in any way other than by attempting to equalize the weight of the brass knuckles used by both sides in the controversy, and then letting them slug it out, it seems to me that we have not reached the proper approach to a statesmanlike solution of the problem.

Mr. President, I think my friend, the Senator from Utah [Mr. THOMAS] must admit that we must find a means of solving this problem without calling for a resort to force. I think we must find a means of solving the problem by applying the law of justice and right, and we must substitute it for the law of force. I believe that some day we must find a means of solving these problems without in any way trying to dictate the terms on which management and labor shall work together. I mention that simply in passing. As I have said, I think the article to which I have referred develops the whole argument on that point.

Mr. President, I now come to certain general conclusions, and then I shall close my remarks.

I am one of those who do not believe in punitive legislation in the field of labor-management relations. I am one

of those who do not believe in "tough" legislation in that field, if by the word "tough" we mean that we are trying in any way to cripple the union movement or to treat it unfairly. I believe profoundly in the union movement. I believe that the workers must have the right to organize, and to select their own representatives, and to bargain. So, anything that would move toward crippling the union movement, as such, I would be opposed to. Therefore, I am, perhaps, somewhat more conservative than some of my colleagues in regard to the kind of legislation which I believe the Congress should pass. I am opposed to breaking down the Norris-LaGuardia Act insofar as injunctions are concerned, except to permit the issuance of injunctions on the initiation of the Government, either through the Attorney General or through the National Labor Relations Board, under the provisions of the measure now before the Senate.

I have opposed the fourth amendment, which has been offered on the floor of the Senate, and will be discussed before we finally dispose of the amendments, because it would permit the Norris-LaGuardia Act to be broken down to the extent of permitting injunctions to be issued at the request of private employers. I do not think we need go that far as yet, and I do not think we should do so until we have seen whether the problem in connection with secondary boycotts or strikes of that nature can be worked out by means of the National Labor Relations Board. I mention that point in passing.

Mr. President, another matter involved in the present controversy is the obvious conflict between the American Federation of Labor crafts-union approach to the problems and the CIO industry-wide approach. In our studies and in the testimony presented to the committee we found that some of the difficulties arise from the conflicts between those two points of view. The crafts-union group wish to maintain the integrity of that movement, and there is much to be said for it. The industry-wide groups, such as the CIO, take the other point of view. Consequently, there have been numerous jurisdictional disputes in which the employer is absolutely innocent, and yet he and the public have been made to suffer, even though they have had absolutely nothing to do with the controversy or the causes of it. Such controversies are simply battles between two unions in an attempt to determine which one will gain the mastery in that field. That problem is one of the present difficulties. I hope it will be possible for us to determine how best to resolve it.

So, Mr. President, I come to the procedure provided in the bill for studying the developments along those lines and ascertaining how the legislation in this field works and preparing to make improvements in it. Such a provision is a most important step forward. In the course of the next several years of experience we shall probably receive many suggestions in regard to what has worked well and what has not worked well and in regard to what should be repealed and what should be strengthened, and no doubt we shall receive various suggestions in regard to provisions which should be enacted into law, as a result of studies which have been made with respect to increasing production and with respect to the relationships between management and labor.

Mr. President, in closing my remarks, I must again express my regret at the unfortunate hysteria and misrepresentation in regard to the purpose of the bill which is now under consideration. In my remarks I have tried to show that if ever a bill was written from the standpoint of a sincere attempt to find a proper solution for an important problem, that procedure has been followed in the case of the pending bill.

I desire to pay a special tribute to the chairman of the committee, the Senator from Ohio [Mr. TAFT], and to the Senator from Minnesota [Mr. BALL], who have given so much of their time in studying every possible approach to the solution of these problems and in working out the various legislative proposals in response to the suggestions which have been made. To that work they have devoted endless time and an infinite amount of patience. The committee held hearings lasting several weeks, and during a period of several weeks thereafter the committee met in executive session. We who served on the committee went over every paragraph of the bill, and finally we reported to the Senate a bill which seems to cover every matter which we believe must be covered by legislation dealing with the problems which now confront us.

Mr. President, I desire to make a strong appeal to my colleagues in the Senate to support this bill. In doing so, of course, each one of us is entitled to vote as he pleases in regard to the amendments, and each one of us is entitled to decide which of the amendments he believes should be attached to the bill. I shall vote for three of the amendments; and, as I have previously said, I shall not vote for one of them.

I hope that we shall be able to place before the country and before the President for him to sign a bill which he will be glad to sign, and which he will regard as a constructive piece of legislation and a statesmanlike approach to the solution of these perplexing problems, and a solution of them which will be for the benefit of the people of the United States.

Mr. THOMAS of Utah. Mr. President, will the Senator yield to me before he takes his seat?

Mr. SMITH. I am glad to yield.

Mr. THOMAS of Utah. I should like to join with the Senator from New Jersey in saying a word or two in regard to the right to strike. I realize that in speaking in regard to the right to strike one is playing with dynamite, because people very seldom hear or read all that one has to say on any particular subject, including that one.

Nevertheless, Mr. President, I wish to say that I do not think any absolute right to strike was written into the law until the passage of the National Labor Relations Act, as the Senator from New Jersey has said. Provision for that right was included in that act as the result of a motion made on the floor of the Senate by a Member of the Senate. The provision for it was not reported from the committee, as I recall. The provision to which I refer merely states that nothing in that act shall be regarded as denying the right to strike.

Mr. President, to assume that there is such a thing as an absolute right to strike would, as the Senator from New Jersey pointed out, be likely to destroy all decent relationships between employees and industry, and probably would result in the destruction of the basic elements which hold society itself together. No law can provide any right at all, unless it is linked up with certain duties and responsibilities.

Mr. SMITH. Mr. President, I thank the Senator from Utah for that statement. He is perfectly correct.

Mr. THOMAS of Utah. Mr. President, when a man becomes an employee, he assumes some duties and some responsibilities. For him to interpret his right to strike as being an absolute right, entitling him to quit work while the water is turned on in the plant, for instance, thus destroying his employer's property, or for him to interpret the right to strike as permitting him to quit work while leaving in a mine certain equipment in such a way as to result in costly destruction, would obviously be most improper. No person has a right to do such things. No one has a right to act against society. No one has a right to destroy it.

All our liberties depend upon our being free only to the extent that we do not interfere with the freedom of others. Any other kind of liberty will eventually mean no liberty at all.

Mr. President, I hope that as a result of this discussion and our consideration of the law now proposed, there will come a realization of the obligations, duties, responsibilities, and the other finer things which go with citizenship, in order that our people may maintain the rights which make men free and independent and able to enjoy the blessings of liberty.

Mr. SMITH. Mr. President, I thank the Senator from Utah for the spirit of his remarks. I appreciate them very much.

Mr. MORSE. Mr. President, I ask unanimous consent to have published in the body of the RECORD as a part of my remarks two editorials appearing in today's newspapers, one in this morning's Washington Post, entitled "Wayward Omnibus," and another published in the Washington News of today entitled "Trying To Do Too Much," both dealing with the pending bill.

I wish to say that I agree completely with the observations made in the two editorials.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 30, 1947]

WAYWARD OMNIBUS

It is not necessary to give weight to all the political brickbats that are being thrown in the Senate to see the folly of sending to the White House a labor bill that President Truman would feel compelled to veto. Senator ELLENDER directly charged that some of

his colleagues were trying to "toughen up" the bill so that the President would be compelled to reject it. We doubt that the charge is valid as against men like Senator TAFT and BALL and perhaps others who are pressing for stiffening amendments. But if they are accorded full sincerity, the fact remains that the course they are pursuing may leave the country without any legislation at all on this subject, and that must be regarded as a policy of great recklessness.

The surest means of avoiding a complete deadlock and another year of confusion in labor relations would be, as we have frequently noted, to divide the present omnibus bills into at least three parts. Some of the proposed reforms would thus go into effect with the President's blessing. At least one section and perhaps others would be vetoed, but that would merely give time for fuller study and reflection while the more important adjustments were being made. In renewing his appeal for splitting the bill into four parts, Senator MORSE seemed to realize that his plea was hopeless, yet he continued to make it as a matter of keeping the record straight. We, too, feel that if the current move for labor reforms comes a cropper, heavy responsibility for that outcome will fall upon Senator TAFT and others who have insisted on overcrowding too many diverse proposals into the bill.

An alternative to dividing the bill would be a bipartisan conference at the White House for the purpose of exchanging views and working out a compromise that would be acceptable to Congress and the President. Many Republicans, of course, are loath to compromise. They feel that they have a mandate from the people to put through a rigorous and thoroughgoing labor reform bill. As a practical matter, however, they control only one branch of the Government. Unwillingness to compromise will probably result in complete defeat of their objective. Legislators who have the best interest of their country and their constituents at heart ought not to take such risks. Regardless of what the political consequences of another statement might be, the economic consequences would be grave. We think the American people expect something better of their legislative and executive leaders than deadlocks and confusion. They expect sufficient statesmanship to bring about a meeting of minds on at least the basic essentials of a new labor relations law. If Congress does nothing more to satisfy this demand than to pass a bill which the President feels he must veto, we do not see how it will be able to escape condemnation for ineptness. And that criticism would probably be no less severe than criticism of the President for thwarting labor reforms.

[From the Washington Daily News of April 30, 1947]

TRYING TO DO TOO MUCH

If corrective labor legislation is to become Federal law—

Each branch of Congress must pass a bill (the House has passed one; the Senate is debating another). A conference committee then must take the two bills, reconcile their differences, and write them into a single measure. Both branches must approve the committee's work. Finally, President Truman must sign the measure, or, if he refuses, 2 to 1 votes must be mustered in both branches to pass over a veto.

There probably are enough votes in the House to override any veto. But there are not enough in the Senate to override a convincing veto.

Mr. Truman could write a convincing veto of a measure as extreme as the House-passed bill. It includes, according to the National Association of Manufacturers, "virtually all of what management believes essential in the public interest." To us, this means that it goes too far. We distrust the NAM's opinion as to "all" that is essential, just as we challenge the CIO and AFL inflexible opposition to any legislation whatsoever.

The Senate has before it a milder bill, a product of study and compromise in its Labor Committee. It is not namby-pamby. It provides for many urgently needed reforms. There is no assurance that Mr. Truman would sign it, but it would give him no such reason for a convincing veto. And more Senators would vote to override a veto of it than of the tougher House bill.

Senators TAFT and BALL and others are fighting for amendments to strengthen the Senate bill. If they win their fight, the probable result will be that no corrective labor legislation will become law in this session of Congress. House Republicans will be encouraged to resist any toning down of their extreme measure in the conference committee. And the bill finally sent to Mr. Truman will invite a veto which cannot be overridden in the Senate.

We don't agree with those who argue that this would put the President in a political hole. The country won't like it if he vetoes a labor bill that is manifestly sound and fair. But the country won't blame him for vetoing a bill that goes too far. It will blame the Republicans for sending him such a bill.

No single piece of legislation is going to correct all the abuses, excesses, and bad practices of the labor movement. Here, for the first time in years, Congress has a real opportunity to correct many of them. It will be wiser and safer to do too little than to attempt too much and wind up with nothing done.

JEWISH VOICE ON PALESTINE IN THE UNITED NATIONS ORGANIZATION

Mr. PEPPER. Mr. President, today's Evening Star carries the following headline: "United States Group Reported Against Jewish Voice on Palestine in United Nations."

We all know that the Palestine question is now before the United Nations. I am sure that all of us have hoped, and still hope, that now that that tragic problem is before the United Nations organization, there will at long last be a full and fair consideration of it and a decision which will do justice to those pitiful, long-suffering people.

I understand that unless there is some change in policy, the Jewish Agency, which for a long time has been the spokesman of the Jewish people in the expression of their aspirations, will not have an opportunity adequately to be heard in the United Nations organization. I should like to suggest that fundamental justice and fair play require that a reasonable opportunity be given to the Jewish Agency to state the case for Palestine in the discussions about it in this session of the United Nations organization and in the meetings of any of its committees. The Arab members have had and will have full opportunity to state their position in the United Nations organization discussions. Under the Charter of the United Nations there is no need to decide that Palestine is a state and that the Jewish Agency represents a state, in order to give that Agency an opportunity to be heard in the discussions in the General Assembly. The United States' representatives to the United Nations organization not only can, but should, I respectfully submit, take the position, on grounds of morals and justice, that the Jewish Agency should have an opportunity to present its case. That does not imply in any way that the United States is prejudging the case either for itself or for anyone else. On the contrary, failure to give the Jewish Agency an opportunity to be heard would be unfair and unjust, and might well lead to the interpretation that the United States is prejudging the situation.

Mr. President, the Jewish Agency is recognized in the Palestine Mandate as a public body representing the Jewish people of Palestine on all matters related to the Jewish National Home.

I desire to express these views in order that they may receive whatever consideration our delegation to the United Nations organization may be disposed to give them, and in the hope that now that this problem for those tragic people is at long last before the United Nations organization, the Jewish agency, which has carried the burden of those people, may have a fair opportunity to be heard before the United Nations, because I feel that no fair and adequate consideration of the problem can be had without affording to that body an opportunity to express its views, based on its great knowledge in that field.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. JENNER in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

SUPPLEMENTARY PROTOCOL FOR REGULATION OF WHALING—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. As in executive session, the Chair lays before the Senate, Executive P, Eightieth Congress, first session, a supplementary protocol for the regulation of whaling which was signed at London under date of March 3, 1947. Without objection the injunction of secrecy will be removed from the supplemental protocol, and without objection the supplementary protocol together with the message from the President and the letter from the Under Secretary of State will be referred to the Committee on Foreign Relations and printed in the RECORD. The Chair hears no objection.

The supplementary protocol, together with the message and letter are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a supplementary protocol for the regulation of whaling which was signed at London under date of March 3, 1947. This supplementary protocol modifies the protocol signed at London November 26, 1945, amending in certain particulars the International Agreement for the Regulation of Whaling signed at London June 8, 1937, as amended by the protocols signed at London June 24, 1938 and February 7, 1944. The supplementary protocol was signed for the United States of America "subject to ratification," and for Australia "subject to approval," Canada, Denmark, France,

New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

I transmit also, for the information of the Senate, a report made to me by the Acting Secretary of State explanatory of the purpose of the supplementary protocol.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 30, 1947.*

(Enclosures: 1. Report of the Acting Secretary of State. 2. Certified copy of supplemental protocol, opened for signature at London March 3, 1947, for the regulation of whaling.)

DEPARTMENT OF STATE,
Washington, April 26, 1947.

THE PRESIDENT,
The White House:

The undersigned, the Acting Secretary of State, has the honor to lay before the President for transmission to the Senate, to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a supplementary protocol for the regulation of whaling which was signed at London under date of March 3, 1947. This supplementary protocol modifies the protocol signed at London, November 26, 1945, amending in certain particulars the International Agreement for the Regulation of Whaling signed at London, June 8, 1937, as amended by the protocols signed at London June 24, 1938, and February 7, 1944. The supplementary protocol was signed at London for the United States of America "subject to ratification," and for Australia "subject to approval," Canada, Denmark, France, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

The purpose of the supplementary protocol is to bring into force in their entirety the provisions of the protocol of November 26, 1945.

Article 3 (1) of the protocol of 1945 stipulates that that protocol shall enter into force in its entirety when the governments mentioned in the preamble thereof, namely, the United States of America, Australia, Canada, Denmark, France, Mexico, the Netherlands, New Zealand, Norway, the Union of South Africa, and the United Kingdom of Great Britain and Northern Ireland, shall have deposited their instruments of ratification or given notifications of accession. All of those governments except the Governments of Mexico and the Netherlands have deposited instruments of ratification of the protocol of 1945. Certain of its provisions (articles 2, 3, 4, 6 (1) and (2), 7, and 8) became effective, in accordance with the procedure established by article 8 (2), when instruments of ratification had been deposited by at least three of the signatory governments. Since instruments of ratification have not been deposited by the Governments of Mexico and the Netherlands, the provisions of articles 1, 5, and 6 (3) had not been brought into operation between any countries until the supplementary protocol of March 3, 1947, was signed.

The articles of the protocol of 1945 which are brought into force by the supplementary protocol contain provisions relating to a temporary extension in the period allotted for certain whaling activities. Article I provides that the season during which factory ships and whale catchers operating with them may be used in taking and treating baleen whales shall be extended for an additional month so as to cover the period from December 8, 1946, to April 7, 1947. If the protocol had not been brought into force in its entirety, the 1946–47 whaling season would have been governed by the stipulations of article 7 of the agreement of 1937, which provides that each season shall extend from December 8 of one year to March 7 of the following year.

Article 5 of the protocol of 1945 waives for the period from May 1 to October 31, 1947, the requirement contained in article 3 (2) of the protocol of 1938, concerning the use of factory ships as land stations when operating within territorial waters.

Paragraph (3) of article 6 of the protocol of 1945 defines certain expressions used in that protocol.

The Senate, on July 30, 1946, gave its advice and consent to ratification of the protocol of 1945, and that protocol was ratified by the President on August 12, 1946. The instrument of ratification was deposited with the Government of the United Kingdom on August 30, 1946, on which date the provisions specified in article 8 (2) became effective with respect to the United States of America.

The supplementary protocol of March 3, 1047, has two articles. Article I provides that, notwithstanding the provisions of article 8 (1) of the protocol of 1945, that protocol shall come into force with respect to the governments on behalf of which the supplementary protocol is signed, immediately on its signature. This article removes the necessity for the deposit of ratifications of the protocol of 1945 by the Governments of Mexico and the Netherlands before all the provisions of the protocol of 1945 come into force. The Governments of Mexico and the Netherlands, according to information received officially by the Department, have given assurances that the procedure provided for by the supplementary protocol for the purpose of bringing the protocol of 1945 into force in its entirety meets with their approval. Article II relates to the duration of the period during which the supplementary protocol remained open for signature. In view of the constitutional processes of this Government with respect to treaties, the signature of this supplementary protocol was made "subject to ratification" in order that the advice and consent of the Senate might be obtained with respect to this change in the procedure for fixing the effective date of the protocol of 1945 in its entirety.

Respectfully submitted.

DEAN ACHESON,
Under Secretary.

SUPPLEMENTARY PROTOCOL

The Governments of the Union of South Africa, the Commonwealth of Australia, Canada, Denmark, France, New Zealand, Norway, the United Kingdom, the United States of America and the Union of Soviet Socialist Republics,

Having ratified or acceded to the Protocol signed in London on 26th November, 1945 (hereinafter called "The Protocol"), amending the International Agreement for the Regulation of Whaling signed in London on 8th June, 1937, as amended by the Protocols of 24th June, 1938, and 7th February, 1944;

Considering that it is provided under paragraph (i) of Article VIII of the Protocol that the Protocol shall come into force in its entirety when all the Governments referred to in the preamble of the Protocol shall have deposited their instruments of ratification or given notification of accession;

Considering further that ratifications or accessions have been deposited on behalf of all the Governments referred to in the preamble of the Protocol with the exception of the Governments of Mexico and the Netherlands; and

Desiring that the Protocol should be brought into force in its entirety without awaiting ratification by the Governments of Mexico and the Netherlands;

Have decided to conclude a Supplementary Protocol for this purpose and have agreed as follows:

ARTICLE I

Notwithstanding the provisions of paragraph (i) of Article VIII of the Protocol, the Protocol shall, on the signature of the present Supplementary Protocol, come into force with respect to the Governments signing the present Supplementary Protocol immediately upon signature by them.

ARTICLE II

The present Supplementary Protocol shall bear the date on which it is opened for signature and shall remain open for signature for a period of 14 days thereafter.

In witness whereof the Undersigned, duly authorised by their respective Governments, have signed the present Supplementary Protocol, done in London this 3rd day of March 1947 in a single copy, which shall be deposited in the archives of the Government of the United Kingdom and of which certified copies shall be transmitted to all the signatory Governments.

For the Government of the Union of South Africa:

EUGENE K. SCALLAN.

For the Government of the Commonwealth of Australia:

Subject to approval.

JOHN A. BEASLEY.

For the Government of Canada:

N. A. ROBERTSON.

For the Government of Denmark:

E. REVENTLOW.

For the Government of France:

JEAN LE ROY.

For the Government of New Zealand:

W. J. JORDAN.

For the Government of Norway:

P. PREBENSEN.

For the Government of the United Kingdom:

O. G. SARGENT.

For the Government of the United States of America:

Subject to ratification.

W. J. GALLMAN.

For the Government of the Union of Soviet Socialist Republics:

G. ZAROUBIN.

Certified a true copy:

[SEAL] E. J. PASSANT,
Librarian and Keeper of the Papers at the Foreign Office.

LONDON, *24 Mar. 1947.*

RECESS

Mr. WHERRY. Mr. President, if no other Senator desires to speak at this time, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 1 minute p. m.) the Senate took a recess until tomorrow, Thursday, May 1, 1947, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate April 30 (legislative day of April 21), 1947:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

William M. Bates, of Missouri.
Robert O. Blake, of California.
Philip J. Halla, of Florida.
Raymond J. Harris, of Pennsylvania.
Robert S. Henderson, of New Jersey.
Peter Hooper, Jr., of Massachusetts.
Warren A. Kelsey, of Massachusetts.
Bruce M. Lancaster, of Mississippi.

Miss Constance McCready, of Maryland.
John B. McGrath, of Rhode Island.
James D. Newton, of New York.
Kenedon P. Steins, of Pennsylvania.

JUDGE, UNITED STATES CIRCUIT COURT OF APPEALS FOR THE EIGHTH CIRCUIT

Hon. John Caskie Collet, of Missouri, to be judge of the United States Circuit Court of Appeals for the Eighth Circuit, vice Hon. Kimbrough Stone, retiring May 15, 1947.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointments and promotions in the Regular Corps of the Public Health Service:

To be assistant dental surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Charles P. White
Richard P. French
Joseph W. Fridl

To be senior assistant dental surgeons (equivalent to the Army rank of captain), effective date of oath of office:

Thomas J. Riley, Jr.
Maurice Costello
Peter J. Coccaro

Senior surgeon to be medical director (equivalent to the Army rank of colonel):

Henry A. Rasmussen.

Surgeons to be senior surgeons (equivalent to the Army rank of lieutenant colonel):

Samuel J. Hall
Richard B. Holt
Edgar W. Norris

Surgeon to be temporary senior surgeon (equivalent to the Army rank of lieutenant colonel):

Marion B. Noyes

Senior assistant surgeon to be temporary surgeon (equivalent to the Army rank of major):

LeRoy R. Allen

COAST AND GEODETIC SURVEY

The following-named employees of the Coast and Geodetic Survey to the positions indicated:

To be hydrographic and geodetic engineer with rank of commander in the Coast and Geodetic Survey, from the date indicated:

Earl O. Heaton, May 1, 1947.

To be hydrographic and geodetic engineer with rank of lieutenant commander in the Coast and Geodetic Survey, from the date indicated:

Lawrence W. Swanson, May 1, 1947.

To be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey, from the date indicated:

Lewis V. Evans 3d, April 29, 1947.

IN THE NAVY

The following-named officers for appointment in the United States Navy in the Corps, grades, and ranks hereinafter stated.

The following-named officers to the ranks indicated in the line of the Navy:

(*Indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment)

LIEUTENANTS (JUNIOR GRADE)

*Mather, Donald I.
*Muller, Harry P.
Theriault, Harold J.
*Young, Horace

ENSIGNS

Acton, William D.
Ambrosio, William
Andrich, Vincent J.
Askew, George V.
Aydelott, William "L"
Ayers, George "L", Jr.
Bailey, Ralston
Banks, Charles A.
Barnes, Jerald D.
Beatie, Ralph H.
*Beck, Preston E.
Becker, Terrill F.
Beckett, Philip E.
Benson, William D.
Berglund, Burton E.
Berry, David P. L.
Beyer, Delbert A.
Blair, James A.
Botten, Ralph D.
Brown, Glenn H., Jr.
Canto, Joseph V.
Carder, Frank B.
Carroll, Charles J., Jr.
Clark, Carroll D.
Collins, John J.
Collins, Wayne D.
Corbett, James F.
Corey, Richard A.
Cover, John H.
Coyle, Arthur J.
Coyne, Philip G.
Cunningham, Patrick F.
D'Albora, Duilo
Davenport, erman P., Jr.
David, Floyd J.
Davila, Daniel I.
De Baets, Donald J.
Deffenbaugh, Robert M.
Delaney, Henry L.
Dickey, John L.
Dionne, Robert J.
Dolan, Eugene F.
Dorman, Alvin E.
Dorroh, Ray P.
*Droz, John F.
Eaholtz, Galen M.
Edrington, Frank R.
Eckman, Charles J.
Egli, Clayton J.
Eldridge, Richard A.
Essert, Antone
Evans, Donald W.
Evans, Thomas G., Jr.
*Everett, Clayton F.
Fenby, Charles C.
Finke, Gordon R.
Finley, Howard B., Jr.
*Fisher, Robert E.
Forehand, Wendell C.
Fritsch, Edward C., Jr.
Garver, Richard E.
Girard, Jean L.
Godfrey, Earl F.
Gohr, Robert B.
Goodman, Louis R.
*Graham, Archibald "G", Jr.
*Groom, Ralph A.
Gullett, John H.
Hall, John C.
Hanley, Richard J.
Harper, Horace D.
Hartman, Richard V.
Hatheway, Valentine J., Jr.
Hedbawny, Edward J.
*Henderson, James W
Holbrook, Jack G.
Hook, John C.
Hough, William L.
*Howard, Cornelius S., Jr.
*Howard, Herbert B.
Howard, Sam R.
Hulka, Edward H.
*Hunsicker, Charles, Jr.
*Hutchinson, Harold
Huval, Willard R.
*Jacobs, Benjamin P.
Jermann, Donald R.
Johnson, Charles E.
Johnson, Clarence R.
Jones, Theodore
Kauffman, Harry R.
Kent, Robert B.
Kiernan, Francis J.
Kile, Newton A., Jr.
Killingbeck, William E.
Knudson, Angus J.
Koons, Jack L.
*Kralik, William F.
*Krouse, Gale E.
*Kurtz, George P.
Lake, Jarrett T., Jr.
Laughlin, George W.
Leslie, David A.
Lewis, Frederick E.
Lindgren, George B.
Lococo, Salvadore
Loranger, Donald
Lynch, James
Malan, Max E.
*Margolf, Edga L.
Marks, Earl J., Jr.
Martin, William H., Jr.
Maxwell, Jack A.
McAdams, Robert B.
McConnel, Joseph E.
McDaniel, Charles B.
*McKinney, Harold W.
McVay, Kenneth M.
Melton, John B., Jr.
Menconi, Harry E., Jr.
Merritt, John A., 3d
Miles, Bernard L.
Miles, Neagle W.
Mills, Allan W.
Mix, Robert W.
Moore, Willard H.
Moriarty, Norbert L.
Morris, Evan D.
Morris, John R.
Mottarella, Victor G.
Murphy, William F.
*Nardone, Henry J.
*Neill, Eugene R.
Neth, Robert L.
Nicolais, Anthony L.
O'Connell, Thomas A.
Orton, Robert D.
Parr, Charles W.
Perdue, Uley F.
*Plattner, Francis B.
Price, Kenneth W.
Rapacz, Edwardus
Ratliff, John "H"
*Reed, Richard C.
*Rich, Charles A.
Rich, Harold G.
Rooke, William A.
Rose, Charles J.
Schneider, Robert F. J.
Schnopp, Robert W.
Schock, Robert E.
Shea, John
Small, Rufus C.
Smith, Billie E.
Smith, Charles W.
Smith, Gordon C.
Smith, John
Spaulding, John I.
Stanley, George M.
Steadley, William A.
Stecker, Kenneth W.
Stephens, Jerrel D.
Stevenson, Norman M.
Stockstill, Peter T.
Storey, Richard E.
Stowitts, Emory V. P., Jr.
Swanson, Hjalmer E.
Tefft, William V., 2d
Thomas, John
*Thompson, James B., Jr.
Thomson, Robert G., Jr.
*Thorpe, Milton W.
Trout, Roscoe L.
Truesdale, Francis E.
Van Hoomissen, Vincent F. P.
Voorheese, Jack R.
Walsh, Francis R., Jr.
Warriner, Victor G.
*Watson, John M.
Welch, Paul R.
Wheeler, William L.
Whittemore, John B.
Wilson, William D.
Wysocki, Walter J.
Zeigler, Richard E.
*Zimmerman, Chester A.

The following-named officers to the grades and ranks indicated in the Medical Corps of the Navy:

ASSISTANT SURGEONS WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Bond, Victor P.
Cleary, James F., Jr.
Conley, John L.
Gundelfinger, Benjamin F.
Hagelstein, Arthur A.
McCann, Eugene C.
McCarthy, Robert J.
Meyer, Frederick W., Jr.
Savage, Charles
Scheflen, Albert E.

The following-named officers to the grades and ranks indicated in the Supply Corps of the Navy:

ASSISTANT PAYMASTERS WITH THE RANK OF ENSIGN

Arrigo, Anthony J.
Bevan, Loren R.
Bigham, Robert G., Jr.
Cohen, John F.
Dellinger, Charley P.
Dorion, William E.
Downey, James G.
Duffie, Hubert W.
Farrell, George, 3d
Fitzpatrick, Julius W.
Hauck, Richard H.
Hix, Charles F.
Hiza, John
Johnson, Karl A.
Keenan, Joseph I.
Kolinsky, Jaromir J.
Larsen, Russell W.
Martin, Donald V.
McDonald, Raymond O., Jr.
McMullen, Marvin E.
Monahan, Edward F.
Nunn, Enoch W.
Ooyman, John G., 3d
Pierce, James M.
Pluto, Raymond J.
Reeves, James F., Jr.
Rocque, Paul F.
Ross, Joel E.
Tice, "J" P.
Tippin, Jesse R.
Tripp, Charles J.
Walker, Hinton C.
Wasko, Andrew J.
Wilson, Robert W.
Zelinski, William E.
Bentley, William R.
Corley, James O.
Kurek, Edward L.
Toll, David R.
Wallis, Eslie D.

The following-named officers to the grades and ranks indicated in the Civil Engineer Corps of the Navy:

ASSISTANT CIVIL ENGINEER WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Marra, Peter S.

ASSISTANT CIVIL ENGINEERS WITH THE RANK OF ENSIGN

Allen, Max H.
Mallory, Charles W.
Andrews, James D.

The following-named officers to the grades and ranks indicated in the Dental Corps of the Navy:

ASSISTANT DENTAL SURGEONS WITH THE RANK OF LIEUTENANT (JUNIOR GRADE)

Blackwood, Robert M.
Gleisten, Howard P.
Harwood, Richard C.
Hudec, Ernest P.
Mitchell, Edward C.
Rumming, Ray C.
Secrest, Robert H.
Siemer, Harold N.
Steinauer, Jerome J.
Stoopack, Jerome C.
Van Damm, Vincent W.
Wemple, Clifton "L"
Williams, Robert M.

The following-named officers to the rank of commissioned warrant officers in the Navy in the grades indicated:

CHIEF BOATSWAINS

Banks, Ned V.
Eddy, Harold B.
Elder, David A.
Hambley, Louis C.
Hima, Dennis
Jones, Leslie
McMillan, Donald J.
Proback, Nicholas
Robinson, Robert
Schuhmacher, John E.
Smith, Forrest E.
Trapp, Robert I.

CHIEF MACHINISTS

Banks, Milton W.
Howell, Gerald U.
McGahee, Esli M.
Ritter, Preston R.

CHIEF PHARMACISTS

Kibsgaard, Henry
Novak, Louis

The following-named officer to the rank indicated in the line of the Navy, to correct spelling of name as previously nominated and confirmed:

ENSIGN

Hannah, Glyde B.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 30, 1947

The House met at 10 o'clock a. m.

Rev. Donald Scott McAlpine, former pastor of Mariners Harbor Baptist Church, Staten Island, N. Y., offered the following prayer:

O Thou infinite and perfect Spirit in whom all things have their source, support, and end, Thou who hast given eternal life to those who believe in Thy son, Jesus Christ, our Lord, we pray that all who humbly seek Thee this day may know that Thou dost hear them. Thou God of gracious wisdom, who hast given us even the right to choose the wrong, help us to shorten the days of our lessons and soon to shape our minds into unison with Thy divine purpose. Thus may we hasten the time when Thy will shall be done on earth as it is in heaven, and the nations of this world become the kingdom of our God and His Christ, to whom be glory and honor, majesty and power, both now and evermore. Amen.

The Journal of the proceedings of yesterday was read and approved.

RELIEF ASSISTANCE TO PEOPLE OF COUNTRIES DEVASTATED BY WAR

The SPEAKER. The unfinished business is the further consideration of the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war.

The Clerk will report the first amendment upon which a separate vote is demanded.

The Clerk read as follows:

On page 1, line 4, after "not to exceed" strike out "$350,000,000" and insert "$200,000,000."

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker being in doubt, the House divided and there were—ayes 51, noes 37.

Mr. BLOOM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 225, nays 165, not voting 41, as follows:

[Roll No. 44]

YEAS—225

Abernethy	Bender	Busbey
Allen, Calif.	Bennett, Mich.	Butler
Allen, La.	Bennett, Mo.	Byrnes, Wis.
Almond	Bishop	Case, S. Dak.
Andersen, H. Carl	Blackney	Chenoweth
	Boggs, Del.	Chiperfield
Anderson, Calif.	Bolton	Church
Andresen, August H.	Bradley, Calif.	Clevenger
	Bradley, Mich.	Clippinger
Angell	Bramblett	Coffin
Arends	Brehm	Cole, Kans.
Arnold	Brooks	Cole, Mo.
Auchincloss	Brophy	Cox
Banta	Brown, Ohio	Cravens
Barden	Buck	Crawford
Barrett	Buffett	Crow
Bates, Mass.	Burke	Cunningham
Beall	Burleson	Curtis
Dague	Jones, Ohio	Robsion
Davis, Ga.	Jones, Wash.	Rockwell
Dawson, Utah	Jonkman	Rogers, Mass.
Devitt	Kean	Rohrbough
D'Ewart	Kearney	Ross
Dirksen	Kearns	Russell
Dolliver	Keefe	St. George
Dondero	Kersten, Wis.	Sanborn
Dorn	Kilburn	Sarbacher
Doughton	Knutson	Schwabe, Okla.
Elliott	Kunkel	Scoblick
Ellis	Landis	Scott, Hardie
Elsaesser	Larcade	Scott, Hugh D., Jr.
Elston	Latham	
Engel, Mich.	LeCompte	Scrivner
Engle, Calif.	LeFevre	Seely-Brown
Fellows	Lemke	Shafer
Fenton	Lewis	Short
Fisher	Love	Simpson, Ill.
Fletcher	Lucas	Simpson, Pa.
Foote	McConnell	Smith, Kans.
Gamble	McCowen	Smith, Ohio
Gathings	McDonough	Smith, Wis.
Gavin	McDowell	Springer
Gearhart	McGarvey	Stanley
Gillette	McGregor	Stefan
Gillie	McMahon	Stevenson
Goff	McMillen, Ill.	Stockman
Goodwin	Maloney	Stratton
Graham	Martin, Iowa	Sundstrom
Grant, Ind.	Mason	Taber
Griffiths	Meyer	Talle
Gross	Michener	Taylor
Gwinn, N. Y.	Miller, Md.	Teague
Gwynne, Iowa	Miller, Nebr.	Thomas, N. J.
Hagen	Mundt	Thomas, Tex.
Hale	Murray, Tenn.	Tibbott
Hall, Edwin Arthur	Murray, Wis.	Towe
	Nodar	Twyman
Hall, Leonard W.	Norblad	Vail
	O'Hara	Van Zandt
Halleck	O'Konski	Vorys
Hand	Pace	Vursell
Hardy	Passman	Weichel
Harness, Ind.	Phillips, Calif.	Welch
Harrison	Phillips, Tenn.	Wheeler
Herter	Ploeser	Whitten
Hess	Plumley	Whittington
Hill	Ramey	Wigglesworth
Hoeven	Rankin	Williams
Holmes	Redden	Wilson, Ind.
Hope	Reed, Ill.	Winstead
Horan	Reed, N. Y.	Wolcott
Hull	Rees	Wolverton
Jenison	Reeves	Wood
Jenkins, Ohio	Rich	Woodruff
Jensen	Rivers	Worley
Johnson, Ill.	Rizley	Youngblood
Johnson, Ind.	Robertson	

NAYS—165

Albert	Eaton	Keating
Andrews, Ala.	Eberharter	Kee
Andrews, N. Y.	Evins	Kelley
Bakewell	Fallon	Kennedy
Bates, Ky.	Feighan	Keogh
Battle	Fernandez	Kerr
Beckworth	Flannagan	Kilday
Bell	Fogarty	Kirwan
Blatnik	Forand	Klein
Bloom	Fulton	Lane
Boggs, La.	Gary	Lanham
Bonner	Gordon	Lea
Boykin	Gore	Lesinski
Brown, Ga.	Gorski	Lodge
Bryson	Gossett	Lusk
Buchanan	Granger	Lyle
Byrne, N. Y.	Grant, Ala.	Lynch
Camp	Gregory	McCormack
Canfield	Harless, Ariz.	McMillan, S. C.
Cannon	Havenner	MacKinnon
Case, N. J.	Hays	Madden
Chadwick	Hedrick	Mahon
Chapman	Heffernan	Manasco
Chelf	Hendricks	Mansfield, Mont.
Clark	Heselton	
Clason	Hinshaw	Marcantonio
Cole, N. Y.	Hobbs	Mathews
Combs	Holifield	Merrow
Cooley	Huber	Miller, Calif.
Cooper	Jackson, Calif.	Miller, Conn.
Corbett	Jackson, Wash.	Mills
Coudert	Jarman	Monroney
Courtney	Javits	Morgan
Crosser	Jenkins, Pa.	Morris
Davis, Tenn.	Johnson, Calif.	Muhlenberg
Deane	Johnson, Okla.	Murdock
Delaney	Johnson, Tex.	Nixon
Dingell	Jones, Ala.	O'Brien
Donohue	Jones, N. C.	O'Toole
Douglas	Judd	Owens
Drewry	Karsten, Mo.	Patman
Patterson	Rains	Smith, Maine
Peden	Rayburn	Smith, Va.
Peterson	Rayfiel	Snyder
Pfeifer	Richards	Somers
Philbin	Richlman	Spence
Pickett	Riley	Stigler
Poage	Rogers, Fla.	Thomason
Potts	Rooney	Tollefson
Poulson	Sabath	Trimble
Powell	Sadlak	Wadsworth
Preston	Sadowski	Walter
Price, Fla.	Sasscer	Wilson, Tex.
Price, Ill.	Sheppard	Zimmerman
Priest	Sikes	
Rabin	Smathers	

NOT VOTING—41

Allen, Ill.	Ellsworth	King
Bland	Folger	Macy
Buckley	Fuller	Mansfield, Tex.
Bulwinkle	Gallagher	Meade, Ky.
Carroll	Gerlach	Meade, Md.
Carson	Gifford	Mitchell
Celler	Harris	Morrison
Clements	Hart	Morton
Colmer	Hartley	Norrell
Cotton	Hébert	Norton
D'Alesandro	Hoffman	Schwabe, Mo.
Dawson, Ill.	Howell	Vinson
Domengeaux	Jennings	West
Durham	Kefauver	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Schwabe of Missouri for, with Mr. D'Alesandro against.

Mr. Howell for, with Mrs. Norton against.

Mr. Norrell for, with Mr. Vinson against.

Mr. Cotton for, with Mr. King against.

Mr. Hartley for, with Mr. Hart against.

Mr. Meade of Kentucky for, with Mr. Meade of Maryland against.

General pairs until further notice:

Mr. Mitchell with Mr. Harris.

Mr. Macy with Mr. Folger.

Mr. Carson with Mr. Durham.

Mr. Ellsworth with Mr. Colmer.

Mr. Fuller with Mr. Kefauver.

Mr. Gallagher with Mr. Morrison.

Mr. Jennings with Mr. Domengeaux.

Mr. WOLCOTT changed his vote from "nay" to "yea."

Mr. REDDEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 1, after line 8, add a new sentence as follows:

"*Provided*, That none of the funds authorized to be appropriated herein shall be expended in or used for such relief assistance in those countries whose governments are dominated by the Union of Soviet Socialist Republics unless the governments of the countries covered by this amendment agree to the following regulations which are hereby declared to be applicable to every country receiving aid under this act.

"The State Department shall establish and maintain out of the funds herein authorized for appropriation a relief-distribution mission for each of the countries receiving aid under this act. This relief-distribution mission shall be comprised solely of American citizens who shall have been approved as to loyalty and security by the Federal Bureau of Investigation. These missions shall have direct supervision and control of relief supplies in each country and when it is deemed desirable by the American authorities administering the provisions of this act these relief missions shall be empowered to retain possession of these sup-

plies up to the city or local community where our relief supplies are actually made available to the ultimate consumers."

The SPEAKER. The question is on agreeing to the amendment.

Mr. BLOOM. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 324, nays 75, not voting 32, as follows:

[Roll No. 45]

YEAS—324

Abernethy	Devitt	Kean
Albert	D'Ewart	Kearney
Allen, Calif.	Dirksen	Kearns
Allen, La.	Dolliver	Keating
Almond	Dondero	Keefe
Andersen, H. Carl	Donohue	Kerr
Anderson, Calif.	Dorn	Kersten, Wis.
Andresen, August H.	Doughton	Kilburn
Andrews, Ala.	Drewry	Knutson
Andrews, N. Y.	Eaton	Kunkel
Angell	Elliott	Landis
Arends	Ellis	Lanham
Arnold	Elsaesser	Larcade
Auchincloss	Elston	Latham
Bakewell	Engel, Mich.	Lea
Banta	Engle, Calif.	LeCompte
Barden	Evins	LeFevre
Barrett	Fallon	Lemke
Bates, Ky.	Fellows	Lewis
Bates, Mass.	Fenton	Lodge
Beall	Fernandez	Love
Bell	Fisher	Lucas
Bender	Fletcher	Lusk
Bennett, Mich.	Foote	McConnell
Bennett, Mo.	Fulton	McCowen
Bishop	Gamble	McDonough
Blackney	Gathings	McDowell
Blatnik	Gavin	McGarvey
Boggs, Del.	Gearhart	McGregor
Boggs, La.	Gillette	McMahon
Bolton	Gillie	McMillan, S. C.
Bonner	Goff	McMillen, Ill.
Boykin	Goodwin	MacKinnon
Bradley, Calif.	Graham	Maloney
Bradley, Mich.	Granger	Mansfield, Mont.
Bramblett	Grant, Ala.	Martin, Iowa
Brehm	Grant, Ind.	Mason
Brooks	Gregory	Mathews
Brophy	Griffiths	Meade, Md.
Brown, Ga.	Gross	Meyer
Brown, Ohio	Gwinn, N. Y.	Michener
Bryson	Gwynne, Iowa.	Miller, Conn.
Buck	Hagen	Miller, Nebr.
Buffett	Hale	Mills
Burke	Hall, Edwin Arthur	Morrison
Burleson	Hall, Leonard W.	Muhlenberg
Busbey	Halleck	Mundt
Butler	Hand	Murdock
Byrnes, Wis.	Hardy	Murray, Tenn.
Camp	Harless, Ariz.	Murray, Wis.
Canfield	Harness, Ind.	Nixon
Cannon	Harris	Nodar
Case, N. J.	Harrison	Norblad
Case, S. Dak.	Hays	Norrell
Chadwick	Hébert	O'Brien
Chapman	Hendricks	O'Hara
Chelf	Herter	O'Konski
Chenoweth	Heselton	Owens
Chiperfield	Hess	Pace
Church	Hill	Passman
Clason	Hoeven	Patman
Clevenger	Hoffman	Patterson
Clippinger	Holifield	Peden
Coffin	Holmes	Philbin
Cole, Kans.	Hope	Phillips, Calif.
Cole, Mo.	Horan	Phillips, Tenn.
Cole, N. Y.	Hull	Pickett
Colmer	Jackson, Calif.	Ploeser
Cooley	Jackson, Wash.	Plumley
Cooper	Jenison	Poage
Corbett	Jenkins, Ohio	Potts
Coudert	Jenkins, Pa.	Poulson
Cox	Jennings	Preston
Cravens	Jensen	Price, Fla.
Crawford	Johnson, Calif.	Ramey
Crow	Johnson, Ill.	Rankin
Cunningham	Johnson, Ind.	Redden
Curtis	Johnson, Okla.	Reed, Ill.
Dague	Jones, N. C.	Reed, N. Y.
Davis, Ga.	Jones, Ohio	Rees
Davis, Tenn.	Jones, Wash.	Reeves
Dawson, Utah	Jonkman	Rich
Deane	Judd	Riehlman
Riley	Sikes	Twyman
Rivers	Simpson, Ill.	Vail
Rizley	Simpson, Pa.	Van Zandt
Robertson	Smathers	Vorys
Robsion	Smith, Kans.	Vursell
Rockwell	Smith, Maine	Wadsworth
Rogers, Fla.	Smith, Ohio	Walter
Rogers, Mass.	Smith, Wis.	Weichel
Rohrbough	Snyder	Welch
Ross	Springer	West
Russell	Stanley	Wheeler
Sadlak	Stefan	Whitten
St. George	Stevenson	Whittington
Sanborn	Stockman	Wigglesworth
Sarbacher	Stratton	Williams
Sasscer	Sundstrom	Wilson, Ind.
Schwabe, Okla.	Taber	Wilson, Tex.
Scoblick	Talle	Winstead
Scott, Hardie	Taylor	Wolcott
Scott, Hugh D., Jr.	Teague	Wolverton
Scrivner	Thomas, N. J.	Wood
Seely-Brown	Thomas, Tex.	Woodruff
Shafer	Tibbott	Worley
Short	Tollefson	Youngblood
	Towe	Zimmerman

NAYS—75

Battle	Heffernan	Miller, Calif.
Beckworth	Hobbs	Monroney
Bloom	Huber	Morgan
Buchanan	Jarman	Morris
Byrne, N. Y.	Javits	O'Toole
Carroll	Johnson, Tex.	Peterson
Clark	Jones, Ala.	Pfeifer
Combs	Karsten, Mo	Powell
Courtney	Kee	Price, Ill.
Crosser	Kelley	Priest
Delaney	Kennedy	Rabin
Dingell	Keogh	Rains
Douglas	Kilday	Rayburn
Eberharter	Kirwan	Rayfiel
Feighan	Klein	Richards
Flannagan	Lane	Rooney
Fogarty	Lesinski	Sabath
Forand	Lyle	Sadowski
Gary	Lynch	Sheppard
Gordon	McCormack	Smith, Va.
Gore	Madden	Somers
Gorski	Mahon	Spence
Gossett	Manasco	Stigler
Havenner	Marcantonio	Thomason
Hedrick	Merrow	Trimble

NOT VOTING—32

Allen, Ill.	Durham	Kefauver
Bland	Ellsworth	King
Buckley	Folger	Macy
Bulwinkle	Fuller	Mansfield, Tex.
Carson	Gallagher	Meade, Ky.
Celler	Gerlach	Mitchell
Clements	Gifford	Morton
Cotton	Hart	Norton
D'Alesandro	Hartley	Schwabe, Mo.
Dawson, Ill.	Hinshaw	Vinson
Domengeaux	Howell	

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

Mr. O'KONSKI. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is there any Member on the minority side who wishes to offer a motion to recommit?

Is the gentleman from Wisconsin opposed to the joint resolution?

Mr. O'KONSKI. In its present form, emphatically yes.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

A motion to recommit offered by Mr. O'KONSKI:

Mr. O'KONSKI moves that the bill, House Joint Resolution 134, be sent back to the Foreign Affairs Committee for further study and until such time as Secretary of State Marshall has had opportunity to reorganize the State Department to conform with a truly anticommunistic policy and until such time as President Truman has had opportunity to reorganize the executive branch of our Government to conform to a truly anticommunistic policy.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. VORYS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 333, nays 66, answered "present" 2, not voting 30, as follows:

[Roll No. 46]

YEAS—333

Albert	Curtis	Holifield
Allen, Calif.	Dague	Holmes
Allen, La.	Davis, Ga.	Hope
Almond	Davis, Tenn.	Horan
Andersen, H. Carl	Dawson, Utah	Huber
Anderson, Calif.	Deane	Jackson, Calif.
Andresen, August H.	Delaney	Jackson, Wash.
Andrews, Ala.	Devitt	Jarman
Andrews, N. Y.	D'Ewart	Javits
Angell	Dingell	Jenison
Arends	Dirksen	Jenkins, Ohio
Arnold	Dolliver	Jenkins, Pa.
Auchincloss	Dondero	Jennings
Bakewell	Donohue	Jensen
Barden	Doughton	Johnson, Calif.
Barrett	Douglas	Johnson, Okla.
Bates, Ky.	Drewry	Johnson, Tex.
Bates, Mass.	Eaton	Jones, Ala.
Battle	Eberharter	Jones, N. C.
Beall	Elliott	Jones, Wash.
Beckworth	Elsaesser	Jonkman
Bell	Elston	Judd
Bender	Engel, Mich.	Karsten, Mo.
Blackney	Engle, Calif.	Kean
Blatnik	Evins	Kearney
Bloom	Fallon	Keating
Boggs, Del.	Feighan	Kee
Boggs, La.	Fellows	Keefe
Bolton	Fenton	Kelley
Bonner	Fernandez	Kennedy
Boykin	Fisher	Keogh
Bradley, Calif.	Flannagan	Kerr
Bramblett	Fletcher	Kersten, Wis.
Brehm	Fogarty	Kilburn
Brooks	Foote	Kilday
Brophy	Forand	Kirwan
Brown, Ga.	Fulton	Klein
Brown, Ohio	Gamble	Kunkel
Bryson	Gary	Lane
Buchanan	Gearhart	Lanham
Buck	Gillie	Latham
Buckley	Goff	Lea
Burke	Goodwin	LeCompte
Busbey	Gordon	LeFevre
Butler	Gore	Lesinski
Byrne, N. Y.	Gorski	Lewis
Byrnes, Wis.	Gossett	Lodge
Camp	Grant, Ala.	Love
Canfield	Grant, Ind.	Lusk
Cannon	Gregory	Lyle
Carroll	Griffiths	Lynch
Case, N. J.	Gross	McConnell
Case, S. Dak.	Gwynne, Iowa	McCormack
Chadwick	Hagen	McCowen
Chapman	Hale	McDonough
Chelf	Hall, Edwin Arthur	McDowell
Chenoweth	Hall, Leonard W.	McGarvey
Chiperfield	Halleck	McMillan, S. C.
Church	Hardy	McMillen, Ill.
Clark	Harless, Ariz.	MacKinnon
Clason	Harris	Madden
Coffin	Havenner	Mahon
Cole, Kans.	Hays	Manasco
Cole, Mo.	Hébert	Mansfield, Mont.
Cole, N. Y.	Hedrick	Marcantonio
Combs	Heffernan	Martin, Iowa
Cooley	Hendricks	Mathews
Cooper	Herter	Meade, Md.
Corbett	Heselton	Merrow
Coudert	Hess	Meyer
Courtney	Hill	Michener
Cox	Hinshaw	Miller, Calif.
Crosser	Hobbs	Miller, Conn.
Crow	Hoeven	Miller, Md.
Cunningham		Miller, Nebr.
		Mills

Monroney	Ramey	Smith, Va.
Morgan	Rayburn	Smith, Wis.
Morris	Rayfiel	Snyder
Morrison	Redden	Somers
Muhlenberg	Reed, Ill.	Spence
Mundt	Rees	Stefan
Murdock	Richards	Stevenson
Murray, Tenn.	Riehlman	Stigler
Murray, Wis.	Riley	Stratton
Nixon	Rivers	Sundstrom
Nodar	Rizley	Taber
Norblad	Robertson	Talle
O'Brien	Robsion	Taylor
O'Hara	Rockwell	Thomas, N. J.
O'Toole	Rogers, Fla.	Thomason
Owens	Rogers, Mass.	Tibbott
Pace	Rohrbough	Tollefson
Patman	Rooney	Towe
Patterson	Ross	Trimble
Peden	Russell	Twyman
Peterson	Sabath	Vail
Pfeifer	Sadlak	Van Zandt
Philbin	Sadowski	Vorys
Phillips, Calif.	St. George	Wadsworth
Ploeser	Sanborn	Walter
Plumley	Sasscer	Weichel
Poage	Scoblick	Welch
Potts	Scott, Hardie	West
Poulson	Scott, Hugh D., Jr.	Whittington
Powell	Seely-Brown	Wigglesworth
Preston	Sheppard	Wilson, Ind.
Price, Fla.	Sikes	Wilson, Tex.
Price, Ill.	Simpson, Pa.	Wolcott
Priest	Smathers	Wolverton
Rabin	Smith, Maine	Worley
Rains		Zimmerman

NAYS—66

Abernethy	Hoffman	Rich
Banta	Hull	Sarbacher
Bennett, Mich.	Johnson, Ill.	Schwabe, Okla.
Bennett, Mo.	Johnson, Ind.	Scrivner
Bishop	Jones, Ohio	Shafer
Bradley, Mich.	Kearns	Short
Buffett	Knutson	Simpson, Ill.
Burleson	Larcade	Smith, Kans.
Clevenger	Lemke	Smith, Ohio
Clippinger	Lucas	Springer
Colmer	McGregor	Stanley
Cravens	McMahon	Stockman
Crawford	Maloney	Teague
Dorn	Mason	Thomas, Tex.
Ellis	Norrell	Vursell
Gathings	O'Konski	Wheeler
Gavin	Passman	Whitten
Gillette	Phillips, Tenn.	Williams
Graham	Pickett	Winstead
Hand	Rankin	Wood
Harness, Ind.	Reed, N. Y.	Woodruff
Harrison	Reeves	Youngblood

ANSWERED "PRESENT"—2

Landis Schwabe, Mo.

NOT VOTING—30

Allen, Ill.	Durham	Howell
Bland	Ellsworth	Kefauver
Bulwinkle	Folger	King
Carson	Fuller	Macy
Celler	Gallagher	Mansfield, Tex.
Clements	Gerlach	Meade, Ky.
Cotton	Gifford	Mitchell
D'Alesandro	Gwinn, N. Y.	Morton
Dawson, Ill.	Hart	Norton
Domengeaux	Hartley	Vinson

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Howell for, with Mr. Schwabe of Missouri against.

Mr. Cotton for, with Mr. Landis against.

Additional general pairs:

Mr. Allen of Illinois with Mr. D'Alesandro.
Mr. Carson with Mrs. Norton.
Mr. Hartley with Mr. Folger.
Mr. Gifford with Mr. King.
Mr. Macy with Mr. Hart.
Mr. Mitchell with Mr. Domengeaux.
Mr. Ellsworth with Mr. Kefauver.
Mr. Fuller with Mr. Vinson.
Mr. Gallagher with Mr. Durham.
Mr. Meade of Kentucky with Mr. Bulwinkle.

Mr. LANDIS. Mr. Speaker, I have a live pair with the gentleman from New Hampshire, Mr. COTTON. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. JUDD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on House Joint Resolution 153.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. COUDERT asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. Dulles.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the RECORD and include several quotations.

Mr. SEELY-BROWN asked and was given permission to extend his remarks in the RECORD.

EXTENSION OF REMARKS AT THIS POINT

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BENNETT of Missouri. Mr. Speaker, I voted against this measure to provide $200,000,000 in further relief to foreign countries. I did so with reluctance because I know something of their need. I have, over the years, tried to be liberal with the less fortunate peoples of other lands. I have voted for much of some $15,000,000,000 in assistance we have extended them or are being asked to extend. But, there are conditions under which I must, to satisfy my feeling of obligation to America, draw the line.

The pending measure is a blank check written in the dark. It would give the President authority through a commission he appoints, to spend this money where he desires and the State Department has already told us that if it has its way it plans to spend a lot of it in Poland, Hungary, and other Russian-dominated countries. The administration asks us to help these Communist states and in the next breath to vote money for Greece and Turkey to stop communism. These Russian-dominated states are paying reparations to Russia. Any assistance from us puts us in a position of helping to pay those reparations. It is an inconsistent and foolish policy. This money will be used as our other assistance has been used, to entrench the Communists who distribute it abroad and to punish helpless and needy peoples who do not bow down to these Communists to whom we give authority to distribute the relief.

It is admitted by the State Department that no other nation is helping us to assume the burden of feeding the world. It is admitted that the sum now requested is an estimate, "picked out of the air." The tax money necessary to total this vast amount cannot be picked out of the air. It will have to be picked out of the pockets of my constituents in high taxes and high prices. Yes, high prices. As long as our Government is buying vast quantities of food and clothing to give to people who ought to go to work to supply their own instead of waiting for more checks from Uncle Sam, just that long will scarcities be continued in this country and the unreasonably high prices which go with scarcity. I hear a lot said by the politicians about business and labor being to blame for high prices. The greatest guilt for high prices belongs to the Government. In 1940, before the war, we had $7,848,000,000 of currency in circulation. Today we have $28,303,507,000 in circulation or about four times as much as six short years ago. Is it any wonder that prices have gone up or that money has become cheaper and will buy less? This money is printed to cover unnecessary Government expenditures.

Some effort has been made here to satisfy objections to this bill by amendment. These efforts fall far short of protection of this country's best interests and simply continue the policy of pauperizing other countries and spreading a spendthrift New Deal around the world. I am against it. I want to see taxes reduced, the budget balanced, the national debt reduced, and the American dollar again worth one hundred cents in purchasing power. There will always be a United States of America if we do not give it away. This measure and others like it will undo our hard work which is putting us back on the road to Federal sanity and solvency.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an address by Admiral Bellinger.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD and to include newspaper articles.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. B. A. Lynch, of Blytheville, Ark.

Mr. BELL asked and was given permission to extend his remarks in the RECORD and include an article by Diosdado M. Yap, editor and publisher of Bataan.

Mr. REDDEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include an article from a magazine entitled "Here in Ohio."

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

HOUSING AND RENT CONTROL

Mr. WADSWORTH. Mr. Speaker, I call up House Resolution 200 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill H. R. 3203, relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

The SPEAKER. The gentleman from New York [Mr. WADSWORTH] is recognized for 1 hour.

Mr. WADSWORTH. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

At this time I yield myself such time as I may require.

Mr. Speaker, without going into detail or speaking at any length, let me say this is what is known as an ordinary open rule. It provides for 4 hours' debate. At the conclusion of the debate, all amendments will be considered under the well-known 5-minute rule. Points of order are waived. The Committee on Rules, which has reported this rule to the House, believes that this measure, known as the rent-control bill, is of sufficient importance to entitle it to prompt consideration by the House; hence, the presentation of this rule.

Mr. Speaker, I have but few requests for time on this side. I reserve the remainder of my time, and I yield now to the gentleman from Illinois.

RULE FOR HOUSING AND RENT CONTROL BILL SHOULD BE ADOPTED

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain letters that I sent to the Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, the rule has been briefly and intelligently explained by the gentleman from New York [Mr. WADSWORTH], so I shall not restate what has been said by him.

The bill which this rule makes in order is to some extent in the right direction. It extends rent control to December 31, 1947, and then gives the President, if he sees fit and there is need, the power to extend it further until March 31, 1948.

Although I believe this bill falls woefully short of the legislation we should enact, as I shall explain as briefly as possible with so important a subject, it should be passed. I urge that the rule be adopted to make consideration in order, and I bespeak support for the bill.

THERE IS NOT ENOUGH HOUSING

I presume that Members of the House are laboring under the impression that with the passage of this bill free enterprise will miraculously bring forth acres of homes in which our returned soldiers and their families, not to mention a large proportion of the civilian population, can hang their hats and proceed to prosper and increase. They have heard the siren song of the spokesman of big business—the smooth-talking, self-assured legislative representatives of the real estate men, the producers of builders' materials, the lumber manufacturers, the apartment-house owners, the bankers, the contractors. They have heard these high-salaried, high-pressure lobbyists with their easy promises of houses, houses, houses—if we will just turn loose free enterprise and take off all the brakes.

Well, we have heard those promises before.

We heard them all through the war.

We heard them in full chorus and loud cry immediately after the war.

We took off all controls on materials—for a little while.

Then we had to put them back, or try to. Putting Humpty-Dumpty together again was too much of a job, so we did a little patchwork. Then finally we took them all off again, except rent control. These are just the funeral services for that orderly reconversion so much talked of. Even the rent control has a strange and sickly pallor—its time is short.

But we still have not enough housing. We have the highest prices in history.

NOT THE FAULT OF CONGRESS

This failure to supply decent homes for decent Americans at decent cost is not due to any failure of the Congress or of Wilson Wyatt, the energetic and idealistic Expediter of Housing. Government did not fail the homeless veteran.

The failure lies directly at the door of selfish businesses who could see only profits, unlimited, in the need of the people; of the lobbies, the contractors, the operators, whose greed blinded them to the public interest. I am not talking about all real-estate men, or all contractors, for there were many who not only supported but helped administer the Government's program. It did not take many willing to pay black market prices for material and for labor to wreck the program, when accompanied by a furious barrage of propaganda.

I really do not blame many of the real-estate operators and contractors for failing to build. Materials and labor had become so scarce, and prices had shot so far above any reasonable level, that they could not sell at a reasonable price. Some of those who built anyway, and skimped on quality, and jacked up the price to cover illegal bonus payments, are now stuck with third-rate houses they cannot sell. In the larger cities houses constructed in conformity with NHA specifications and local building codes would cost $10,000. Very few ex-servicemen are in a position to pay $10,000 for any house, even if the quality is there, and certainly not for a house worth, by normal standards, only $5,000 to $6,000.

BUSINESS LOBBIES TO BLAME

I repeat that the charges made by some Members to my left that Government is at fault for the lack of housing are unjustified and without foundation. The Government's housing program was a fair and equitable one which should have been welcomed by a truly free private, competitive enterprise system. The powerful lobbies, grown greater than their members, sabotaged that program.

Almost 2 years ago I first wrote to the Attorney General pointing out that there was much evidence of black-market operations in the lumber-manufacturing industry. As you know, prosecutive actions were begun in many parts of the country.

Just a few months ago I again wrote to him calling his attention to violent and uniform increases in some essential construction items in critically short supply which indicated collusive action in violation of the antitrust statutes. I here insert that letter which was dated February 18, 1947:

MY DEAR MR. ATTORNEY GENERAL: For years the building of homes for ex-servicemen and homeless Americans has been delayed principally because builders could not obtain absolutely essential materials for construction. It is my belief and the belief of many in the building trades that the virtual monopoly of some manufacturers and manufacturers' associations in scarce items contributed sharply to these acute shortages.

1. GYPSUM BOARD AND ROCK LATH

At the present time, under the stimulation of the incentive payments provided under the veterans' emergency housing program, production of gypsum products, both of sheathing and rock lath, for plaster base has reached the highest point in history. At the same time, however, prices have risen four, five, and six times above the prewar price of $50 to $60 a thousand. The fact remains, however, that the United States Gypsum Co., the Johns-Manville Co., and one or two other large firms constitute a virtually complete monopoly of this essential product through their control of raw materials and processing facilities.

2. HARDWOOD FLOORING

Because of the monopolistic restrictions of hardwood manufacturers, the present market is thoroughly disorganized and annual production in 1946 was relatively lower than in any other field.

A normal prewar price was from $70 to $75 a thousand board feet; while the present price ranges from $150 to $250 a thousand at the mill. Retailers and builders are caught in a tight squeeze. They cannot afford to destroy their future business by passing these exorbitant charges on to their customers and they are forced to handle their

retail sales on unprofitable marked-up margins.

3. IRON PIPE

The storage of iron pipe likewise has been under rigid control by manufacturers. It is probably true that, more than in any of the other fields, abnormal wartime consumption of all iron products contributed to the acute shortage of pipe for construction use. Nevertheless, the uniform agreements as to price and quotas point clearly toward collusive action.

It is significant that, while wartime controls remained effective, all of these items appeared in the black market at exorbitant prices. Since the removal of controls, prices have sky rocketed under the frantic bidding of construction contractors pressed for cash and forced to pay exorbitant prices for materials, which of course has the immediate result of pushing the new houses completely out of reach of veterans and low-income groups, which it was the intention of Congress and the Housing Expediter to help.

I feel that if you start an immediate investigation, or at least give notice of your intention to investigate these outrageous restraints, the result will be that these scare materials will begin to flow into the market at reasonable prices and in a more orderly manner and that the housing program will advance rapidly.

Sincerely yours,

A. J. SABATH.

Again on March 24, Mr. Speaker, I wrote to the Attorney General to point out that the average selling price for hardwood flooring in March 1947 was practically double that of March 1942. I here insert that letter and his reply:

MARCH 24, 1947.

Hon. TOM C. CLARK,
The Attorney General,
Department of Justice,
Washington, D. C.

DEAR MR. ATTORNEY GENERAL: I do not wish to harass you or embarrass you with too many communications. At the same time, knowing your interest in the enforcement of the antitrust acts, I feel that I should pass on to you any suggestions or information that seem pertinent.

On several occasions during the past year I have raised the issue of the extraordinary increases in some of the elements of residential construction; particularly in regard to common lumber and hardwood flooring and cast-iron pipe. I am forwarding to you a letter I have just received from the Forest Products Division of the Office of Temporary Controls showing almost unbelievable increases in the average selling price of hardwood flooring over the past 5 years.

Note that the average selling price in March 1947 is double that of March 1942 and that there is a reported spread between mill prices of $153 MBF for oak flooring and retail prices of $315 in Chicago. It seems to me that this could be achieved only by collusive monopolistic action.

With kindest regards, I am,
Sincerely yours,

A. J. SABATH.

MARCH 27, 1947.

Hon. A. J. SABATH,
House of Representatives,
Washington, D. C.

MY DEAR MR. CONGRESSMAN: This will acknowledge your letter of March 24, enclosing one addressed to you by Mathias W. Niewenhous, Director of Forest Products Division of the Civilian Production Administration, containing information concerning the increase in the selling price of common lumber and hardwood flooring.

I greatly appreciate your consistent interest in these matters and assure you that they will be given careful attention here on the basis of the information which you furnish.

With kind regards.
Sincerely,

TOM C. CLARK,
Attorney General.

PRIORITY PREFERENCE SYSTEM SHOULD BE RETAINED

Mr. Speaker, from the very beginning of the national emergency, when it became evident that we could not produce everything we needed to fight and win an all-out war and still carry on our peacetime life, I have supported the system of rationing, under whatever name it happened to be called. When it came to doling out our precious industrial materials and facilities, we set up a complicated preferential priority system which channeled all materials and available labor first into the war effort and then tried to divide what was left over among essential nonwar industries.

It worked.

We won the most terrible war of all history. We were, in truth and in fact, the arsenal of democracy.

When we started to turn back to peacetime, it made sense to me that we should make our reconversion orderly and fair by continuing that system of priorities, especially in housing.

I felt that construction of homes—real homes, at prices which the ordinary American citizen could pay, either on a sale or rental basis—was our number one objective. It was a peacetime war against the enemy of need.

It is true that withholding of materials from the legal market and all kinds of propaganda, bonus payments, and other dodges, some legal and some illegal, largely nullified the priority provisions of the Veterans Emergency Housing Program; but the fact remains that a record number of homes was started in 1946 under the stimulus of preferential priority controls and incentive payments.

Such a system would be helpful now, even though materials are beginning to appear on the market, and I regret that it is not provided for in this bill. I venture the hope that an amendment will be successfully offered.

STEEL PIPE WITHDRAWN FROM CHICAGO AREA

We have in Chicago right now a concrete example of what I mean, Mr. Speaker, and I desire to take this opportunity of drawing the attention of the Congress and of the whole country to a situation in which the steel industry, or at least a major segment of it, has abrogated its promises to the Government and to the construction industry by withdrawing steel pipe—ordinary steel pipe 2 inches and less in diameter, such as is used in water leads into buildings—from the entire Chicago area, and is rapidly bringing the home-construction program there to a standstill.

In August 1945, when it appeared that Japan would capitulate, the steel industry advisory committee brought pressure on the War Production Board to end the controlled materials plan in the final quarter of 1945. The industry representatives undertook, on their part, to assure the continuation of the distribution of steel-mill products based on an historical pattern which has long been the industry's means of distributing steel when demand exceeds supply.

The Government agreed.

Then this is what happened: Steel pipe is a low-profit item, and prices in the Chicago area are based on the price at the Chicago area mills rather than on Pittsburgh. There is no Pittsburgh-plus velvet on shipments into Chicago. Now many mills manufacturing this type of steel pipe have withdrawn entirely from the Chicago market. They have abandoned customers of many years standing, who have no place to turn to get pipe for their own customers.

Here is a partial list of steel-pipe manufacturers reported to have pulled out of the Chicago market entirely; though I am no friend of big business, it is to the credit of the National Tube & Steel Co. that they continue to ship from their Lorain, Ohio, plant, to their own customers.

Spang Chalfant Co., Bethlehem Steel Co. LaClede Steel Co., Pittsburgh Tube Co., Wheatland Tube Co., Mercer Tube Co., Jones & Laughlin Steel Co., in at least one instance.

Though it is claimed that the Interstate Commerce Commission has no jurisdiction, and that only moral suasion—a weak weapon against greed—can be brought to bear, I claim that they have the power to remedy the situation in Chicago and on the Pacific coast, where, if anything, the situation is worse. Certainly the steel companies themselves can do this even though it might infinitesimally reduce their tremendous profits of 1945 and 1946, as shown by the financial reports.

SAME SITUATION IN OIL

What applies to steel applies to the current freeze-out of small independent distributors of fuel oil in Chicago. The situation is more or less parallel, though there is not the same close relationship to home construction. I do not wish to encumber the RECORD, and therefore refrain with regret from including at this point a letter just received from the Mid-City Oil Co. of Chicago describing the unauthorized but effective rationing system imposed by the major oil company suppliers on the small companies, which already has resulted in their substantial loss of accounts.

RENT CONTROL EXTENDED

This bill aims to relieve the situation I have touched upon, at least to some extent, and it also extends rent control for a limited period.

There are some gentlemen who argue that rent control should be entirely eliminated.

May I say to you that we have had no rent control on commercial buildings—on offices, stores, factories, or manufacturing plants.

I take it that you all know what happened.

In many instances commercial rents have been ruthlessly boosted from 100 percent to 400 percent. Every one of you knows of some instance in which some man with a little store where he was paying $50 a month suddenly had his rent jacked up to $200 or $300 a

month just as soon as the landlord found out he was making a little profit on his business—naturally under a Democratic administration; I have to put that in.

You could go on and multiply those instances many times—office rents, factory rents, storage rents—all boosted to all the traffic would bear.

The same thing would have happened to tenants in apartment buildings and dwellings had it not been that Congress wisely and prudently provided for rent control and insisted on its enforcement.

HARDSHIP CASES PROVIDED FOR

I realize that there are some cases of genuine hardship, especially where a small landlord had rented to steady tenants at depression prices; but we provided for relief where actual hardship could be shown, and I am confident, on the basis of my own experience with the rent control program that relief was actually granted when the facts justified it.

Those provisions are continued in the present bill, and I am satisfied will be administered justly and equitably in view of increased operating costs of all kinds. I have always thought that from 10-percent to 15-percent increases were fair.

The provision in the bill that would permit a 15-percent increase in rents on all premises that have not been occupied for 2 years or more cannot, I am sure, apply in very many instances, although spokesmen for the real estate industry boasted of thousands of rental units taken off the market by owners when they became vacant. This provision is just a bribe to such owners to return the units to rental. It is my opinion that any owner who has refused to rent his premises because he was not able to increase his rents is not a person to deserve any consideration.

OPERATORS OF DEFAULTED PROPERTIES HAVE NOT BEEN HURT

The class of real-estate operator who receives no sympathy at all from me is made up of those who now own large tenement or apartment buildings taken from the original owners during the Republican panic of 1929, 1930, 1932, and 1933 through bankruptcy or foreclosure proceedings at a small fraction of their real value, and operated at very satisfactory rents with full tenancy and low turn-over.

Those buildings were taken over by banks and original houses of issue, or by their agents and representatives who became the so-called bondholders protective committees, or the trustees and receivers, and who, manipulating as such, acquired title to the buildings to their own great advantage and profit and to the bitter loss of the original bondholders, who had bought these so-termed gold bonds in good faith and, in many other cases, lost their life's savings.

Through clever and unscrupulous manipulations among the protective committees, the trustees and receivers, and sometimes the courts, the banks, and their friends, obtained ownership of thousands of the finest and largest apartment buildings in the United States at 10, 12, and 15 cents on the dollar.

Consequently, the present owners of such apartment houses are obtaining more than a fair return on their investments.

Yet these are the very ones, in conjunction with real-estate operators and builders, who during the past 5 years have conducted a relentless and vicious propaganda campaign against the Government policy of encouraging the building of decent homes for ex-servicemen at reasonable rentals or reasonable prices and who have sought unceasingly to bring about the end of all rent controls.

I know that the committee which studied and reported this bill will explain its provisions more fully. I feel obliged to yield time to the five members who signed a dissenting minority report and who wish to explain their objections to the adoption of the rule and the bill. While I have the utmost sympathy with these colleagues, and this bill is not what we want, legislation is always a compromise. This is a compromise. We seldom can obtain all we seek, ask, or expect. I presume the committee has, in its wisdom, done the best it could, and I favor the rule and the bill.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield, but I do not want to take too much time.

Mr. SADOWSKI. The real solution of this problem of rentals and housing is that of constructing more houses. We will all agree to that.

Mr. SABATH. The gentleman is correct.

Mr. SADOWSKI. Has the gentleman heard that there has been a curtailment of construction loans? That is, that the banks now have embarked upon a policy of refusing construction money to builders? That means where a builder may have 20 or 30 houses under construction and goes to the bank to get money to finance the period the house is under construction, he gets a construction loan. If this construction money is denied to builders, that means they have to use their own funds to finance. The builder has got to dig down into his own pocket or into his own bank account to finance his own building program, which automatically means that instead of building 20 or 30 houses he will probably be compelled to embark upon a program of 5 houses. It will cut down this construction program, it will hurt the builder very deeply, it will hurt our rental program, it will hurt our housing program. I was in Detroit 2 or 3 weeks ago and it was brought to my attention by the builders in Detroit that this is happening. They said it is already in full effect in Indianapolis and other cities and that the bankers in Detroit are now embarking on that program in my city. If they do that, they will also go to Chicago, they will follow this throughout the country. This is one time I think all of us have to come out and say: "You cannot do this, you must not do this, you must not do anything that will hamper our housing construction program."

Mr. SABATH. I may say to the gentleman that I have heard of these complaints, too, and I know they are true. Many of the banks control large apartment buildings. They are trying to discourage construction as much as possible in order to be able to gouge the people as long as they can. But let me say that the bill provides a 90-percent loan to the builders of homes and I believe that is a good provision. It is restricted and I hope the loans will not be made to speculators who will build a house costing six or seven thousand dollars and then ask a loan of eight or nine thousand dollars. The provisions were so drafted that the Government, in my opinion, is protected in every way, but, as the gentleman says, the bankers have refused to make loans.

Mr. Speaker, I reserve the balance of my time.

Mr. WADSWORTH. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Speaker, I asked for time on this rule because it is important that the membership of the House get a better understanding of this problem, its ramifications, and difficulties than we did in committee. We had a lot of testimony, about 600 pages, but much of it was opinions and we lacked the factual information necessary to guide us to a sound decision.

Before the House extends rent control it should obtain credible testimony to indicate that this legislation will reverse the economic forces which are operating to intensify the shortage of rental houses.

That is one discovery we made in the committee. We learned that the shortage of residential rental property is becoming worse and not better 2 years after the war is over. We should get in this debate some evidence that the situation will be less acute next March than it is today; otherwise we do not achieve the purpose aimed at in extending rent control.

In this respect I urge that you do not take and are not asked to take, as we were in committee, the "I thinks" and "I hopes" that we got time and again from the Rent Administrator and other officials. We would ask these officials for the facts on this situation and they would say: "I do not know, I think"; "I do not know. I hope."

I believe we should have some credible evidence that the shortage in rental housing is actually being alleviated by rent control. We did not find such evidence in the committee. We found on the contrary, that probably 2,000,000 rental units have gone off the market since VJ-day, and only a small number of private rental units have come on the market since VJ-day.

The House should find the answer to the question of how many private rental units have been built in the last year and what private rental construction is going on now.

I read yesterday that the Department of Commerce says that because of buyers' resistance and high cost, home construction is at a standstill. They now report that 1947 construction will be two billion to two billion three hundred million less than predicted in December. We are considering action on legislation that is going to determine the rental housing situation of this country, and

rental housing is what most veterans of this country desire.

We have had a lot of talk about rental housing for veterans, but the OPA and Patman Housing Act have given special privilege, a vested interest to the people who stayed at home and occupied housing facilities. We should find some way of alleviating that discrimination, and this bill should do it, or we should not pass it.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, it is with deep regret that I announce the death of a former Member of the House of Representatives, the Honorable Richard M. Atkinson, who served here in the Seventy-fifth Congress, and who died suddenly in Nashville yesterday. He served well the Sixth Tennessee District, which I now have the honor to represent.

Prior to his service in the House of Representatives Mr. Atkinson had a distinguished record as a district attorney in the tenth judicial district of Tennessee. He was a veteran of the First World War and served with distinction in the Marine Corps, seeing action with the Second Division in France. He was a graduate of Vanderbilt University and of Cumberland University Law School. As a Member of the House he served on the Committees on the Civil Service, Claims, and World War Veterans' Legislation.

I am sure that the Members who served with him in the Seventy-fifth Congress recall his genial disposition, his loyalty to high ideals, and his enthusiasm for the work of his committee and of the Congress, and I am sure also that all who remember him join me in expressing deep regret to his wife and to the members of his family.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I gladly yield to the dean of our delegation.

Mr. COOPER. Mr. Speaker, I desire to join with my distinguished colleague from Tennessee in paying brief but very sincere tribute to the Honorable Richard M. Atkinson, a warm friend of mine for many years, and with whom I had the privilege of serving during his period of service here. He was a man of recognized ability, great character, and demonstrated devotion to public service, and we join in extending our sympathy to his bereaved widow.

Mr. COURTNEY. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Tennessee.

Mr. COURTNEY. Mr. Speaker, it was with a sense of profound shock and with deep sorrow that I learned of the sudden passing of the Honorable Richard M. Atkinson, a former Member of the House. I did not have the privilege of serving with him here as he left this body a few months before I came in 1939 to fill out an unexpired term. I knew him intimately, however, for more than 30 years. First, as a friend of early manhood, next as a comrade in arms, and then as an able and outstanding lawyer in our section of Tennessee.

As a member of the bar, he was a powerful and aggressive advocate, but with high ideals about his profession and ever mindful of its ethics. For two terms, he served his people as district attorney general. His record in this high place was outstanding. He recognized that the office of a prosecuting attorney is a quasi-judicial position, and he always gave one charged with an offense the benefit of any reasonable doubt. But, once convinced of the guilt of a defendant, so skillful was his conduct of a case, and so convincing his argument, that few of the guilty in his court escaped the just penalty of the law, and the convictions that he obtained were rarely disturbed by the appellate courts.

He was a man of high moral character and a Christian gentleman, who cheerfully accepted and faithfully discharged all the obligations and responsibilities imposed upon him in all the walks and phases of his life.

The bench and bar of Tennessee mourn his loss today, for they will sorely miss his presence, his charm, and his personal magnetism.

I extend to the members of his family my deep sympathy in this their hour of sorrow and travail as they walk through the valley of the shadow. They, with his friends, however, can take comfort with the thought that:

Somewhere tonight, among the hills of heaven,
He walks with all his stars around him;
And we who lost him here on earth
Grow happy knowing God has found him.

Mr. JARMAN. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Alabama.

Mr. JARMAN. I learned with deep regret a moment ago from the gentleman from Tennessee [Mr. PRIEST] of the great bereavement the people of Tennessee have suffered in the loss of Dick Atkinson. It was my privilege to enter Congress with him. I am very confident that not only every Member of this body who entered that year, but every Member whose privilege it was to serve with him and observe those fine characteristics which have just been referred to by the gentleman from Tennessee heartily shares your expressions of regret and wishes to join me in expressing through you to the members of his family our great sorrow and bereavement.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, the sorrows that are visited upon former or present Members of the House through the act of God are the sorrows of all of us, and the pleasures and honors conferred upon any Member of the House are also honors conferred upon the House itself. When a Member of the House receives an outstanding honor or an honor of any kind, all Members rejoice in the knowledge that a distinctive recognition has been given to a Member of this distinguished body.

I am glad to announce to my colleagues today that our colleague the gentlewoman from New Jersey [Mrs. NORTON] is receiving in Norwood, Mass., outside of Boston, a great honor, the highest honor that can be paid during any one year in the United States to any lady who is a communicant of the Catholic Church.

Today in Norwood, Mass., at a pontifical mass celebrated by my archbishop, the great spiritual leader and great American, Archbishop Cushing of Boston, MARY NORTON will have conferred upon her the Siena medal for 1947. This is a medal conferred upon the Catholic lady in the United States who is selected by a very distinguished group as making the most distinctive contribution to Catholic life in the United States during a particular year. For the year of 1947 the one who has been selected is our distinguished colleague.

The group that makes the selection is composed of Archbishop Lucy of San Antonio, Bishop Babcock of Detroit, Monsignor Carroll of Washington, of the National Catholic Welfare Conference, the president of the National Council of Catholic Women, and the chairman of the board of trustees and the president of Theta Phi Alpha Sorority.

This award has been made since 1937 to an outstanding Catholic woman, and has already been conferred upon several such ladies, for example, Anne O'Hare McCormick, outstanding author and journalist; Mother M. Katherine Drexel, foundress of Sisters of the Blessed Sacrament for Indians and Colored People; Frances Parkinson Keyes, the outstanding author; Jane Hoey, the notable and outstanding social worker; Agnes Repplier, an outstanding author; and Agnes Regan, executive secretary of the National Council of Catholic Women.

I know that all the Members of the House without regard to party are pleased to hear of this honor, and on this day when it is being conferred upon MARY NORTON at a pontifical mass celebrating the six hundredth anniversary of St. Catherine of Siena, at the St. Catherine of Siena Church in Norwood, Mass., we all rejoice with her, and the Members of this body accept the honor conferred upon her as indirectly an honor conferred upon the House and upon each and every one of us.

SPECIAL ORDER GRANTED

Mr. WADSWORTH. Mr. Speaker, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS] to make a unanimous-consent request.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

HOUSING AND RENT CONTROL

Mr. SABATH. Mr. Speaker, I yield 8 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, when the Committee on Banking and Currency last week voted out the bill now under consideration, much of the newspaper space concerning that action was

devoted to the fact that the committee had rejected a proposal to increase rents across the Nation by 10 percent.

Indeed, one newspaper account referred to the committee action as "providing for the maintenance of rent ceilings in virtually their present form."

The average citizen, who reads his newspaper casually, probably was reassured that he had nothing to worry about so far as his rent was concerned, at least until December 31. Let me quote some of the newspaper headlines which helped to create the same impression.

One of them said: "House unit bans increases in rents."

Another one reported: " '47 rent boost killed."

And still another reassured the tenant this way: "House body blocks general rent rise."

Mr. Speaker, I trust that none of my colleagues were misled by these headlines. It is true that a general rent increase of 10 percent was rejected. Nevertheless, the bill we are considering today is not one that provides for a continuation of effective rent control. It falls woefully short of this desired goal at a time when the housing shortage in the Nation is the tightest it ever has been. If we vote for this bill in its present form we are failing utterly in our duty to protect tenants from a very real inflationary threat.

In the limited time allotted to me, Mr. Speaker, I want to make one point crystal clear. This bill contains such dangerous and weakening features that it can be questioned whether it is in fact a rent control bill. It might be described more accurately as a bill to legalize weakening of rent controls. Let me list briefly some of the objectionable features.

This bill provides for a hidden rent increase of 15 percent that will be felt by hundreds of thousands of American families. I shall discuss this feature later.

It calls for the ending of rent control, either on next December 31, or at the latest, by March 31, 1948. By no stretch of the imagination will the housing shortage be relieved by either of those dates.

The bill ends protection for so-called permanent tenants living in hotels and motor courts—those who rent by the week or month. Many of these are aged persons living on fixed incomes who cannot afford homes of their own. Already they have been badly hit by sharp rises in prices since last fall. Certainly we would not knowingly deny them the protection of rent control.

Another provision exempts certain types of new housing and other newly converted rental units from controls. This sets up a group of housing units free from ceilings in the same areas in which older units remain subject to maximum rentals. Some landlords would be subject to rent controls. Others in the same area would not. Veterans, the chief group now seeking new places to live, would be forced to pay the higher rentals for these decontrolled units. Instead of giving veterans all of the protection they deserve from their Government, they are being told that the sky is the limit for some of the homes and apartments they want to rent.

Weakening of some phases of eviction controls which are needed during a period of such acute housing shortage and limitations placed upon some of the Government's powers to enforce rent controls are other unfavorable aspects of this bill.

Mr. Speaker, all of these weakening features are dangerous to the stability of rents. They are all the more dangerous because none of them in themselves can be singled out as being likely to result in an across-the-board increase in rents. Those members of the majority who seemed so willing to allow rents to go up 10 percent before the Easter recess have cooled in their ardor since going home and talking with their constituents. As one of the newspapers put it, they have become aware of the "disastrous political consequence of a general rent increase."

So, instead of providing for an overall rent boost, rent controls are about to be weakened through subterfuge, if the bill as reported out from committee is enacted.

The most damaging phase of this bill is the proviso contained in section 204 (b). This section provides that if at any time before next March 31 a tenant and a landlord enter into a written lease which is to expire on or after December 31, 1948, the rent may be increased up to 15 percent over the present maximum rent. This increase can take effect almost immediately, the only restriction being that a "true and duly executed copy" must first be filed with the rent administrator. The bill speaks of this increase as being—and I quote—"that which is mutually agreed between the tenant and landlord." "Mutually agreed," mind you.

Let us look into the circumstances under which such a mutual agreement is likely to be reached. Rent controls may end as early as next December 31 and no later than the following March 31. This short extension of rent control plays into the hands of the landlord. He comes to the tenant and says: "Rent controls are going to end next December 31. You know and I know that rents will shoot sky high after the ceilings come off. Don't you think it would be well for you to sign this lease. It gives you the privilege of continuing to live here for another year beyond December 31. And it protects you because the increase is only 15 percent. I'm sure it would be to your advantage to sign this reasonable lease." This is a rather mild version of what this conversation might be.

Of course, a lot of tenants will mutually agree with the landlord that they had better sign up. Tenants may not be subject to coercion, but when they look ahead to that relatively early date of decontrol, it is logical to expect that many of them will fear that they will be faced with a far greater increase, or, even worse, eviction. So they will sign on the dotted line.

Others may refuse to mutually agree to the increase. But even in these cases, the proviso still can have other unfavorable effects. As houses or apartments become vacant, because the tenant moves to another city, or another apartment, the landlord is given an even more powerful weapon against the prospective new tenant. He can refuse to rent unless the new tenant will sign a lease providing for the 15-percent increase. If we vote for this proviso today, gentlemen, we are voting for a 15-percent increase for all rental space which may become vacant from now on.

Still another provision of this section 204 (b) provides that once such a lease has been signed, the rental unit shall not be subject to any maximum rent. This simply means that if a tenant, who has signed a 15-percent-increase lease, moves out of the rental quarters, the landlord no longer is limited to a 15-percent increase on that particular property. He can charge whatever the traffic will bear.

No, Mr. Speaker; we are not confronted with a proposal for a general increase in rents. The bill we are considering today is far more subtle than that. Our citizens are being told that they are being afforded the protection of rent controls for another six to nine months. They are not being told that we are, in effect, providing landlords a shotgun which they can use to bring about a "mutual agreement" with the tenant to increase his rent 15 percent.

Mr. Speaker, if this House wants to allow a 15-percent increase in rents, it should do so in a straightforward manner. Or if certain landlords, because of inequities, are entitled to rent increases, they are adequately provided for in other parts of this section of the bill. These cases should be decided on their merits and not on the fears of tenants. The Congress should not legislate so as to allow 15-percent increases for a certain segment of landlords while others, who are more conscientious or more considerate of the welfare of their tenants, are maintaining stable rents. It is difficult to conceive a more inconsistent method of determining who shall be entitled to rent increases.

Mr. Speaker, I believe most of us can agree that an emergency still exists as far as the supply of rental housing is concerned. We are now witnessing a period during which inflationary forces have made themselves seriously felt on the general level of prices. The last Congress was impatient to rid the Nation of price controls. Business and industry gave assurance that if these controls were lifted, prices might rise for a while but the situation would soon right itself. We have seen how wrong those assertions can be. During this period of rapidly rising prices, rents have been held consistently steady. Now we have been subjected to extreme pressure to remove controls from residential rents. As I have stated, the housing shortage is now the tightest that it has ever been. This is no time to weaken the controls which have stood the test of time. The machinery exists within these controls to make adjustments where they are needed and to remove controls in those areas of the country where they are no longer required. Under these circumstances, effective rent control can best be secured by extension of the present system for a

period of 1 year after the present expiration date of June 30, 1947.

The SPEAKER. The time of the gentleman from New York [Mr. O'TOOLE] has expired.

Mr. WADSWORTH. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, I wish to call to the attention of the House the fact that the members of the Committee on Banking and Currency were by no means unanimous in agreeing to the provisions contained in this bill. There are several minority reports, including one of my own.

Mr. WADSWORTH. Mr. Speaker, apparently there are no more requests for time on the rule.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3203) dealing with housing and rent controls, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the time for general debate, 4 hours, is divided equally between the chairman of the committee, the gentleman from Michigan [Mr. WOLCOTT], and the ranking minority member of the committee, the gentleman from Kentucky [Mr. SPENCE].

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

Mr. WOLCOTT. Mr. Chairman, a great deal of consideration has been given to this bill both in the committee and in private and public conferences. I think the purpose of the bill is quite generally understood. Primarily it is to encourage production of rental units to lick the housing shortage, and it is to be hoped that, because of the readjustments which must be made if the bill is enacted, the encouragement which is given to the construction of new units, it will be possible within a reasonably short time to take off all rent controls. Because the question of construction and the question of rents are so closely affiliated we seek to solve both of these problems in the same bill in two titles. Title I of the bill has to do with decontrols, with building itself. You will recall that last year we enacted what is known as the Veterans' Emergency Housing Act which set up an Expediter. That office was first occupied by Mr. Wyatt and now by Mr. Creedon. The Expediter was given very new and unusual powers to build homes primarily for our returning veterans and their immediate families.

The Expediter was given more power than had been given to any other single individual in Government except possibly the President of the United States in wartime. He could dictate to other agencies of the Government, to all other agencies of the Government having to do with the allocation of building materials, the price of those building materials, the cost of a finished home or apartment house and the rental to be charged for the home or apartment house. He could divert materials from any other use, industrial, commercial or otherwise, to the construction of homes and apartments. He could recommend to the Reconstruction Finance Corporation that they guarantee markets and they were bound to follow his recommendation that markets be guaranteed for new, and unusual perhaps, types of construction. He could recommend, but not direct, the RFC that up to $400,000,000 be used in payment of subsidies to encourage production. He could prevent the use of any building material in any commercial or noncommercial enterprise. He had control over every nail, over every foot of pipe, over roofing material, over every inch of lumber, every brick, every square inch of steel in the United States.

We set a goal of about 1,700,000 homes last year. In 1941 under what might be called free enterprise construction, where there were no Government controls over allocation of materials, private enterprise, without any help from the Government, without any restrictions, without any subsidies, without any guaranteed markets, without the influences against freedom of enterprise, without the pressures which were apparent last year for home construction, there were finished about 715,000 units. Last year with all these powers, which were given to the administrator to divert materials to home construction, to the prejudice of commercial commerce, to the prejudice of our economy generally if he saw fit to do so, under strict Government control we completed about 661,900 units or a matter of 53,000 units less than were completed without pressure but without restraint in 1941 by the building industry.

If anything has been proven from our experience in this field, it is the fallacy of trying to manage our economy by a bureau in Washington.

So, in the judgment of the committee these controls are removed. Many of them were removed last November by Executive order of the President. Some of them still remain, but the power to exercise these controls continues, unless we act on this bill, until December 31, 1947.

In title I we abolish the Office of Expediter. We abolish any authority which he had to allocate materials and to set maximum prices, both on the materials and the finished home. We remove any authority which he had to set rents on homes and apartments. We abolish the authority to make new premium payments of any amount by RFC or any other agency, and we abolish the authority which was given to the RFC through the Expediter in guaranteeing a market for these new, unusual types of prefabricated homes. To replace that we set up in this bill an authority for the FHA, under title VI, to guarantee the construction of prefabricated houses up to 90 percent of their value, and the machinery for that is set up similar to that which now operates to insure the finished building under title VI, which you will recall is the title under which FHA insures finished properties up to 90 percent of their value. We merely extend that insurance to the manufacturer of the house before it is on the site. This bill, of course, would remove any price limitation on the finished building. It would remove the limitation on floor space which is now 1,500 feet. It would remove the limitation on the number of bathrooms which might be built on the premises, which was due to shortage of materials. Of course, the net effect of providing for only one bathroom was that they would build the framework for the additional facilities but the contractor who built the house could not put in the second bathroom or half a bathroom under the initial contract. This resulted only in some inconvenience to the property owner because he could go to Sears, Roebuck or Montgomery Ward and buy the bathroom equipment and install it himself or hire the same contractor who built the house to do it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

That was an ineffective regulation, as were many of the others. The bill removes all of the limitations on construction excepting on facilities for amusement and recreational purposes. We provide that a permit might have to be obtained from whoever administers this law if the head of the department administering the law certifies there is a shortage of materials. Of course, it continues veterans' priorities. It reduces the time, however, in which the veteran must exercise his priority from 60 to 30 days, which was recommended by almost all the veterans' organizations which appeared before the committee.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Do I correctly understand the gentleman to mean that all restrictions on the building of new homes will be removed by this legislation?

Mr. WOLCOTT. They would be removed if this bill is enacted.

Mr. HARNESS of Indiana. So that any individual who has the money and could buy the materials could go ahead and build his house without having to make application for a permit to do so?

Mr. WOLCOTT. That is right.

Title II has to do with rent control. Rent control, you recall, was set up under OPA and would expire on June 30 of this year. This bill provides for the removal of rent control on units completed after the effective date of this act and on residential units which are made available for rental by reconversion and remodeling. It also removes rent control

from properties which have not been rented to others except members of the immediate family between the dates of February 1, 1945, and February 1, 1947.

It can readily be seen that the result of these provisions will be to impel adjustments in the occupancy and availability of rental properties to the extent that thousands and perhaps hundreds of thousands of existing properties will be made available for rental which are not available at the present time. This is one of the important parts of the bill. First, we encourage the production of rental properties and then we encourage people who are now living in properties to rent.

The bill provides that we continue maximum rents on existing units until December 31, 1947, with the exception that if the landlord and the tenant in good faith voluntarily enter into a valid written lease any time between the effective date of the act, which is the first of the month following enactment, and March 31, 1948, and providing the lease runs until at least December 31, 1948, then by mutual agreement the rent may be increased not to exceed 15 percent. The consideration for the lease, in other words, might be 15 percent over the existing maximum rental. It must be purely voluntary, however, and if the tenant does not desire to enter into a lease increasing his rent 15 percent or any part of 15 percent he is privileged, of course, to continue to live in his apartment or home or the unit which he occupies still under control at the ceiling that was on the property on the effective date of the act.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

The bill also provides that on December 15 the President must make a determination as to whether or not it is necessary to continue rent controls beyond December 31, 1947. If the President decides that it is not necessary to continue controls beyond December 31, 1947, rent controls shall be discontinued on all properties as of December 31, 1947. But if the President finds that it is necessary to continue rent controls, he must make an affirmative finding and give his reason for doing so, and that determination and the reasons therefor must be filed with the Congress. Then rent controls under the proclamation of the President may be continued until March 31, 1948. That will give the Congress an opportunity to consider the matter after it convenes next January.

Those of you who think you want to cut off these rent controls on December 31, 1947, had better give some sober thought to the fact that perhaps we will have a cold winter next year, and perhaps the Congress will not be in session on December 31. As far as I am concerned, I do not want to take the responsibility for wholesale evictions which might result in the dead of winter due to failure on the part of somebody to act with reasonable intelligence to meet any exigencies that might appear, any emergencies that might be created, while the Congress is not in a position to act. So in our wisdom we have given the President the responsibility, if he finds that rent controls should be continued beyond December 31, 1947, to continue them, but in no event shall such controls be continued by him beyond March 31, 1948. When we come back here next year we will then decide what we want to do about them.

It is to be hoped that the executive branch of the Government will enforce the laws passed by Congress in accordance with the declared policy of the Congress and that rent controls will be taken off just as quickly as possible. That is to be hoped, and I am one of those who hope. We cannot make any guaranty. We cannot bind a future Congress. We have our responsibilities, and the administration has its responsibilities. Under this form of government, the legislative branch of the Government cannot administer the laws. The executive branch has the responsibility for administering and for providing for the enforcement of laws, and we hope they will enforce them in accordance with the declared policy and intent of the Congress, and that rent controls will be taken off just as quickly as they possibly can.

We provide in the bill that adjustments shall be made in maximum rents to correct inequities. We do not fool around with it. We do not say that "the Administrator may make adjustments" to correct inequities. We say he "shall make adjustments to correct inequities." And if the inequities and the hardship cases had been relieved as many of them should have been relieved years ago we would not have all the trouble we have at the present time with respect to rent controls.

If this bill is properly administered we will get enough rental units so that we can safely take these controls off next December 31. We encourage the building industry to provide adequate rental units. I have been assured by many builders that the building industry will probably make the same mistake in the next 8 or 9 months that they frequently make in big cities, that is, overbuild in many cases. In those areas where because of production or the availability of rental units there is no longer any need for rent control, the Administrator may decontrol any single unit or any area or units in the United States.

Some question that, but I would like you to read that provision of the bill. It is very clear to me that the Administrator may decontrol single units or areas. He may do it on a Nation-wide basis or he may decontrol at any time he sees fit on an area-wide basis or on the basis of single units.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BREHM. If I understood the gentleman correctly, he stated that the FHA had been instructed to insure loans up to 90 percent on prefabricated homes. Is that correct?

Mr. WOLCOTT. Yes. That is substantially correct.

Mr. BREHM. Yes; that is, the FHA had been authorized to insure loans up to 90 percent on prefabricated homes only. Is that correct? In other words, what is the limit on the loans or can a loan be made up to 90 percent on homes constructed from other than prefabricated materials?

Mr. WOLCOTT. Yes; that is in the general law. This is merely a specific authority for the FHA to insure loans on the house before it is put on the site.

Mr. BREHM. I am thinking of prefabricated houses.

Mr. WOLCOTT. I am thinking of prefabricated houses also. Loans on prefabricated houses are eligible for FHA insurance on the manufacturer's level, and before the house is actually assembled on the site.

Mr. BREHM. Could that not work a hardship on the established dealers who have been in business for years and years past? On page 4 of subsection 2 the bill reads, "Such houses to be manufactured shall meet such requirements of sound quality, durability, livability, and safety as may be prescribed by the Administrator." Suppose a prefabricated home did not really comply with the above conditions but the Administrator favored prefabricated material, he could approve the loan even though the material used was cardboard.

Mr. WOLCOTT. He would have to comply with the standards set up in section 4.

Mr. BREHM. Yes; but he is his own boss and could be his own judge. I just do not want this to work a hardship on the old-line dealer in favor of some "quickie" producer which some governmental agency might want to set up in business to further some socialistic scheme.

Mr. WOLCOTT. I think they would probably be protected.

You will notice that in subsection (b) on page 3 there are four standards which must be set up. I think they are pretty well protected in that respect.

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ELSTON. Since this bill removes all rent control on newly constructed buildings, I would like to ask the gentleman what, if any, veterans' preferences remain with respect to rentals on those newly constructed buildings.

Mr. WOLCOTT. Newly constructed rental properties must be held for 30 days for rental to veterans before they can be rented to anyone else. To protect against any finagling with respect to when they were completed, as authorized, the administrator of the act to establish by regulation the date upon which these properties are completed, and the veteran has 30 days after that date to apply for rental. Then, if the properties are not rented to veterans at the end of 30 days, they can be rented to anyone.

Mr. ELSTON. Is there any price limitation?

Mr. WOLCOTT. No. There will be no rental control on units completed after the effective date of the act.

Mr. ELSTON. So that while the veteran has a right to exercise priority within that 30-day period, there is no limit

on the amount of rent that may be charged by the property owner?

Mr. WOLCOTT. To the owner or anybody else. But the veteran now living in a controlled unit does not have to move out of that unit, and he can continue to live under rent control.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SCRIVNER. By what test will the Administrator be bound to determine whether or not there are inequities in any of these rentals which he shall remedy?

Mr. WOLCOTT. Well, the question was put to me yesterday. If an Administrator decontrolled property on one side of the street and left another property on the other side of the street under control, I would think that constituted an inequity.

Mr. SCRIVNER. But how about those many cases where owners have applied to the OPA for relief under hardship, and have been denied? What rule, if there is any, shall this new Administrator apply to determine whether or not an inequity exists, and an increase is to be granted?

Mr. WOLCOTT. Common sense. We found it very difficult to write language to cover it.

Mr. SCRIVNER. Common sense has been too much lacking in the past.

Mr. WOLCOTT. I quite agree with the gentleman. We studied for weeks to determine how we could compel the exercise of common sense in the administration of the law, and we failed. If anybody can find that language, I am sure the committee will be very glad to accept it.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BUSBEY. I would like to ascertain from the gentleman if, under this bill, the President thought, in his judgment, there should be a 10-percent increase across the board in rents, could he so order that?

Mr. WOLCOTT. He has authority under this bill, as he has had authority ever since rent control was set up, to increase rents in any manner, by the unit, by the area, or to remove them throughout the Nation altogether. We do not interfere with that authority at all. If whoever is in charge of the rentals can get the President to consent to a 10-percent increase, then there is nothing in the law to prevent a 10-percent increase being made by Executive order or regulation.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

NEED FOR EFFECTIVE RENT CONTROL

Mr. BUCHANAN. Mr. Chairman, I represent one of the great industrial sections of our Nation. In western Pennsylvania and in other great steelmaking centers, a wage pattern seems to have been worked out that is acceptable both to management and to labor. It is to be hoped that as a result of this pattern another costly work stoppage can be avoided. None of us wants a repetition of the race between wages and prices that followed—a race in which the wage earner was always the sure loser. All of us are hopeful, I am sure, that the dangerous period of rising prices is coming to an end and that a reasonable stability will follow.

The observations I have just made are very pertinent to the rent control legislation we now have under consideration. At this point in our transition to a peacetime economy, it is doubly important that we avoid any action which would disturb the general level of rents. The stability of rents is very significant in its relationship to the stability of prices and wages. Rent is the largest single item paid out at one time from the average family budget. So long as rents hold steady and the worker has a sense of security that he is not going to be evicted from the place where he lives, he is likely to be satisfied with the wage adjustment pattern that seems to be developing. But if the worker's belief that his budget is just about back in balance once more is jolted by a rise in rents, or if he is forced to look for another and more expensive place to live because he has been evicted, then we are risking the consequences of another period of friction between management and labor.

PERIOD OF EXTENSION OF RENT CONTROL

I am, therefore, particularly disturbed by the provision in the rent-control bill we are now considering which permits a landlord to negotiate with a tenant for an increase in rent up to 15 percent if a lease is signed before next March 31 to expire on or after December 31, 1948.

The workingman, who may be regarded as the average tenant, is in no position to bargain successfully with his landlord. To bargain on even terms, it is first necessary that there be a relatively normal supply of rental housing. In the abnormally tight situation now existing, all of the bargaining advantage rests with the landlord. That is why the protection of rent control is so necessary until the supply of homes for rent has increased, especially in the great overcrowded industrial areas where it is still so difficult for workers to find places to live at reasonable prices.

CONSEQUENCE OF PROVISIONS AUTHORIZING 15-PERCENT RENT INCREASES UNDER CERTAIN LEASES

The landlord has all of the advantages under the proposed changes contained in the bill under consideration. First, the very fact that rent controls are scheduled to expire at the earliest on December 31, and no later than next March 31 plays into the hands of the landlords. The wage earner who rents his home is confronted with the possibility that these protecting ceilings may stop by the end of the year. Fear starts to work on him, if his rent is going to soar—and I really mean soar. Not a 10- or 15-percent boost, but a rise of as much as 50 percent, may occur as after World War I. This is what will happen—it is typical.

At this point the landlord comes to him. He suggests to the worker that maybe the tenant would like a little protection. Of course he would. So the landlord offers to let him sign a lease that will be good to December 31, 1948. That sounds great. But there is a catch to it. There is a little matter of a 15-percent increase in rent. Well, the tenant does not like that so much. How soon would the 15-percent increase go into effect, he asks? Would it be on December 31 if rent controls end then, or would it be March 31, 1948, if the President decides that rents are needed that much longer?

No, the landlord replies, the 15 percent increase would take place on the tenant's next regular rent day. What kind of protection is that, I ask you? Has this Congress looked into the question of whether this landlord is entitled to a rent increase? Maybe he is. Well, there is a way for him to get it if he has been subject to an inequity. Maybe he is not. But the test we are setting up is not whether he is entitled to an increase. The test is simply whether he is a strong enough bargainer to force the increase on his tenant.

Now let us look further into the provisions of section 204 (b). Let us assume that the landlord has gotten the tenant to agree to and sign the lease for a 15-percent increase. The worker then loses his job; he decides to move, say, from McKeesport, Pa., to Akron, Ohio, where he has been told job prospects are better. The landlord now has a vacant home for rent. Is he limited to renting it to a new tenant for an increase of only 15 percent over his previous ceiling? Absolutely no. The very fact that the lease has been signed frees him forever from all the restrictions of rent control. Once his house becomes vacant, he can rent it for whatever the traffic will bear. The tenant, by signing the lease, also loses any protection against eviction that may be afforded him under the rent-control laws. That is the kind of provisions that we are considering today.

There is still another angle we cannot ignore. Suppose the tenant has resisted all pressure from the landlord to sign the new lease authorizing the 15-percent increase. The tenant then moves to Illinois. The house becomes vacant. Does the landlord rent to the first desirable tenant who is willing to take the house at the old ceiling price? Of course not. He holds it off the market until a prospective tenant comes along who wants the house badly enough, or who has money enough, to be willing to sign the 15-percent increase lease.

EXEMPTIONS—DISCRIMINATORY FEATURES

We are considering legislation here today which is discriminatory in character. It opens the door for landlords who wish to use strong-arm methods. It discriminates against the workers who have nothing but fear on their side when it comes to negotiating for a place to live after December 31.

There are other discriminatory features in this bill. I can dwell upon them only briefly. We are discriminating between landlords owning new housing which is completed after this bill becomes law and which has not been built with the aid of allocations or priorities on the one hand and landlords with older housing, on the other. Side by side in the same

community will be houses which are subject to rent controls and others which are not. This proviso exempting from rent control also applies to units being converted from existing residential use into additional housing accommodations, or to housing which has not been rented during the year ending January 31, 1947. This section of the bill also is a practical form of discrimination against our veterans. They are the ones chiefly who are seeking new places to live at this time because older housing is now thoroughly occupied. If this Government wants to protect its veterans from soaring rents, certainly this is not the way to do it.

The bill also discriminates against elderly people who cannot afford a home of their own, but who are living on fixed incomes in permanent hotel rooms or in motor courts. Permanent quarters in these types of accommodations are to be freed from rent ceilings.

LEGAL PROTECTION RESTRAINTS SHIFTED

The proposed bill is not an extension of the existing Price Control Act with such modifications as the proponent of the bill deems necessary. It is a completely new bill.

It supersedes the Price Control Act completely. It leaves out, for example, all of the provisions of section 4 of the existing Price Control Act, which sets forth what is unlawful for landlords to do. It leaves out all of section 201, which deals with the administration of rent control, as it now exists; section 202, which gives the administrative agency the investigative power, the power to require reports from landlords, and the power to require landlords to maintain records; it leaves out the provisions of section 205 of the existing law which gives enforcement powers to the existing agency. That is where we get the power of injunction and that is where the Department of Justice gets its right to bring prosecution against landlords guilty of flagrant and willful violations of the law. Then, it leaves out all of the provisions of sections 203 and 204 of the act, which deal with the present provisions of the law relating to the manner in which landlords may challenge the validity of existing regulations. Even if a tenant, under the proposed bill, does sue a landlord in any court, it would leave to any State, Federal, or local court throughout the United States the right to declare rent controls in that area invalid or unconstitutional.

It eliminates the whole orderly procedure which we now have, which gives the landlords the right to challenge the validity of existing regulations and orders in an orderly fashion.

Let us take a typical case here of what would happen insofar as enforcement is concerned between landlord and tenant. The responsibility rests with the tenant so far as bringing suit against the landlord is concerned. Of course, we know that the average worker in a steel area or coal area or heavily populated metropolitan industrial district just does not have the wherewithal to bring the necessary litigation or will be able to supply himself with the facts and the information to build a case and to build a record in the court. These protective devices are removed, and the responsibility, of course, is placed solely on the tenant to recover against the landlord. Previously, under the other section, the Federal Government acted as a protector for the tenant.

It is not a question of competency of local or State courts. Let me give you an example of what would happen. An ordinary tenant, if he did want to sue his landlord, would obviously bring his suit in a court where it does not cost much to file. For example, in the District of Columbia, he would go to the small claims court where it costs a dollar to file. In a good many areas of the country he would go before an ordinary justice of the peace, and, by filing a small amount of money, an ordinary tenant would claim that he has been charged an illegal rent.

The landlord in that case could come in and say that the regulation is invalid; that the rents fixed in that area are too low; that he should have gotten an adjustment which the administrative agency denied him, and that rent control is unconstitutional, or any other of a lot of defenses that the landlord might assert.

The landlord associations keep statistics which would be available to the landlord, about net operating income and all the rest. In such a suit, when the tenant would be met with those defenses, as a practical matter, he would be stymied—why is he stymied? Because he has no information available. An ordinary tenant does not know whether the rents in that area are fair or not. He has no statistics available to him.

Well, as you know, courts can only act on the basis of the record made before them. Courts have no independent investigating power. Courts, in their ordinary jurisdiction, do not reach independent judgments on these things. Courts act on the basis of records made for them in particular cases by the attorneys or parties on both sides.

I think that if a landlord, for example, came in and introduced some evidence—let us forget for a moment whether that evidence is good or bad—that the rents in that area do not allow him a fair return on his property, what will the tenant do?

In an ordinary dispute, no party to the lawsuit has to be acquainted with difficult economic facts, and problems that are as difficult as we have. We are talking about alternatives, now; whether what is proposed is better or worse than what we now have. We now have an orderly procedure by a court composed of five Federal judges, appointed by the Chief Justice of the United States, which goes to any community where a landlord wants the court to go, hears what the landlord has to say, applies uniform standards to the cases they hear, and comes out with decisions.

ENFORCEMENT—EVICTION SAFEGUARDS WEAKENED

Under certain conditions, eviction controls are weakened. Tenants who have had houses sold out from under them, under the existing law, have had the protection of a reasonable period in which to seek other housing accommodations. The present bill would end this and provide only that evictions under this and other similar circumstances be governed by the local law. In general, this period before eviction varies from a few days to a month.

Under present acute housing conditions, these short periods before eviction fail to give proper time for an evicted tenant to find shelter.

I again speak in behalf of my constituents, many of whom are wage earners, when I oppose another weakening feature of the bill now before us. This would deprive the Government of its existing authority to bring criminal actions against willful violators or treble damage suits against landlords whose tenants failed to bring suits in time. The tenant is still privileged to sue his landlord for overcharges. But many tenants in my district and in the districts of many Representatives will not know how to bring suit nor will they want to bear the cost of litigation. The weakened enforcement provisions also eliminate the exclusive jurisdiction of the Emergency Court of Appeals to review the validity of rent regulations or orders. This opens up the questions of validity in the courts in which tenants may seek to sue their landlords for overcharges. Landlords will discourage suits brought by tenants by pleading invalidity of the rent regulations. The elimination of the Emergency Court of Appeals deprives the country of the services of a court which has gained invaluable experience in and proven itself admirably suited to the task of reviewing rent regulations and orders.

In conclusion, I want to ask every Representative in this great body who comes from an industrial center to ask himself a searching question. Does he conscientiously feel that he is giving the great bulk of his constituents, the wage-earning tenants, an even break if he votes for this discriminatory bill? We have a simple solution to this rent-control problem which will be facing us as long as this serious housing shortage exists. All we have to do is to extend the present rent-control system for another year.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH.]

Mr. SMITH of Ohio. Mr. Chairman, I do not believe H. R. 3203, a bill to extend rent control, represents the desire of the American people. There is every reason to believe they want rent control abolished, and that they expect this. It should be recalled that it was public sentiment that brought about general decontrol of prices last year, not the President or the Congress. Indeed, as the record will show, the President and the Congress obstinately resisted decontrol and yielded only when they were forced by public indignation. Precisely the same argument was used by those who opposed decontrol of prices in 1946, as is presently advanced against rent control, namely, short supply. We were told that there was a scarcity of goods

and that prices would rise inordinately because of this if decontrol were instituted. There was a shortage of goods, but decontrol of prices proved that this was caused by the controls which had been in effect. Removal of price ceilings quickly resulted in greatly increased supply of goods. It is true that prices of some commodities advanced after the ceilings were abrogated, but, as everyone recalls, they were constantly rising before.

The alleged shortage of housing does not exist. Furthermore, rent and other controls very powerfully hindered the production of housing just as price control of commodities stymied their production.

One can prove or disprove almost anything by statistics, to some people. I shall not resort to statistics to support my case. Suffice it to say that the politicians were wrong in their figures relating to price control in general, and they were wrong in their statistics, their promises, and their predictions in respect of the Patman housing bill which the Congress passed last year. That program not only failed but it harmed the production of housing. Only apologies are now forthcoming for the enactment of the Patman housing bill.

After going into the rent ceiling and housing problem as thoroughly as I could, I became convinced that if ceilings were abolished an enormous number of additional dwelling units would become available for rental use. Mark you, that is the important consideration that confronts this Congress. There is a large number of houses being held out of the rental market because of rent ceilings, and also living space in homes that heretofore have not been rented, but would be for rent if ceilings were removed. There is still another source from which additional living space would be provided for rental purposes if ceilings were removed. I refer to the situation where the number of occupied rooms per family has greatly increased since rent ceilings went on. From these three sources and the additional dwellings that would be constructed if rent and all other controls relating to housing were abolished an ample supply of dwelling units to meet demand would soon be available.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Iowa.

Mr. JENSEN. Right along that line, I think it is well to state at this time that in the year 1925, when every job required a selling job, private industry in this Nation built over 900,000 homes and 900,000 living apartments, in 1 year, with no Government pressure or interference.

Since we have given every other segment of the American people their freedom from Government control, since we have relieved them from as much Government control as possible under the OPA, and since we have even released the prisoners of war, does not the gentleman agree that it does not quite make sense when we at this time, almost 2 years after VJ-day, refuse to give the property owners of America, who are certainly a very fine segment of our American people, the freedom that we have given the rest of the people, including prisoners of war?

Mr. SMITH of Ohio. We have to be fair. But the matter that I have discussed goes much deeper than that. As I previously stated, rent control should have been eliminated along with price control in general. That would have been fair. It would have been just.

The Congress is not doing justice to the renters themselves by continuing rent control. The majority of renters of this country want controls removed. To say anything other would be to accuse them of being unfair, and you cannot do that. The majority want no special favors. I am sure they expected the Eightieth Congress to remove rent control.

The pending bill provides for continuing rent control until December 31, 1947, but authorizes the President to extend control until March 31, 1948, if he believes that to be necessary. Why should the Eightieth Congress vest in this administration such legislative power? If the incumbent Congress is willing to freely and voluntarily delegate this power to the Executive, what good reason can be given for not further relying upon his judgment as to the need for rent control beyond March 31, 1948?

I did not find in the testimony given before the committee evidence indicating anything other than the forces responsible for the present proposed extension will be back with the same arguments for the continuance of rent control beyond March 1948.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GAMBLE. Mr. Chairman, I yield five additional minutes to the gentleman.

Mr. SMITH of Ohio. The grave danger in all these extensions of wartime control is that succeeding extensions cause such controls to further entrench themselves and make their removal more difficult.

The bill also provides that landlords and tenants may by voluntary agreement enter into a lease increasing rents not to exceed 15 percent above the OPA ceiling prices, such lease to be effective until December 1948. One can do no more than speculate on the implications of this provision. Certain it is, however, that it sets up a special category of renters and landlords.

An extraordinary provision in the bill provides for Treasury financing of manufacturers of prefabricated houses, and FHA loans on the finished products. This, of course, is tantamount to a Government-guaranteed market for prefabricated houses.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. RAMEY. In regard to loans, is it not a fact that in our own State practically every loan company is willing to make loans to the veterans? Have they not said, "Come in and borrow," and are they not better able to do it and are they not more willing to do it in a great many instances than loans by the Government?

Mr. SMITH of Ohio. Of course, there is no reason for putting the Government further into the housing business.

Mr. RAMEY. And are not the folks who want to build homes for the veterans, veterans themselves of one war or another—just neighbors, who can do it and want to?

Mr. SMITH of Ohio. That is right.

Does the sitting Congress propose to put the Government further in business?

Proponents of this particular provision to have the Government finance the manufacture of prefabricated houses claim it would have the effect of revolutionizing housing. I understand the houses that would be built under this provision would not be of the conventional type. Well, there is nothing particularly wrong about revolutionizing housing construction, so long as it is done in the natural, competitive way; that is, with private money and not with funds wrung from the public, especially an exsanguinated one. Why should this particular Congress lend itself to promoting a scheme like this? What constitutional or moral right does the Congress have to destroy industries engaged in the construction of conventional type houses?

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. MUNDT. I was wondering if any sentiment was developed in the committee during the hearings for an extension of the rent control bill, which would empower the States and individual communities to set up local rent control boards to handle the problems locally.

Mr. SMITH of Ohio. No; and I am opposed to that sort of proposition. I want to see this Congress exercise its responsibility and not pass the buck on to the States. The States have enough troubles of their own. We created this problem and we ought to solve it.

Mr. MUNDT. Does the gentleman feel that the Federal Government can better regulate rents than the municipalities or States?

Mr. SMITH of Ohio. I would not want to enter into a discussion of that. If the States themselves decide they want to institute rent control, that is their affair. I do not think it is within our province even to discuss that question.

The bill further provides for the removal of ceiling prices on new homes and also on residences which have not been occupied between February 1, 1945, and January 31, 1947. Price ceilings are to remain on old homes. Surely this is rank discrimination. It is class legislation. The claim which some make that it is only temporary in no wise mitigates the unfairness involved in this arrangement.

The bill provides for the creation of an emergency and predicates the need for the extension of rent control on such arbitrarily constituted emergency. It has been explained that this has been done to make the act constitutional.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SMITH of Ohio. George Washington in his Farewell Address warned future generations to beware of schemes

to destroy the Constitution by usurpation. Surely here is an instance where we might well heed his advice. I am of the opinion that if the mentality of Congress has become so distorted as to cause it to yield to the tactic of overriding the Constitution by the simple device of declaring an emergency, then we have about reached the end of all constitutional government.

There are few good provisions in the bill. Title I would remove practically all remaining controls over materials going into the construction of houses. But these provisions should have been presented to Congress by themselves and not made a part of the other provisions of this bill.

Full production of housing cannot be expected until rent and all other controls relating thereto are entirely abolished. So long as there remains any shadow of such controls hanging over the heads of manufacturers and suppliers of home building materials there will be hesitation and doubt in their minds as to what the future may have in store for them.

Mr. Chairman, let us do the fair and just thing today, not what may be politically expedient.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, we are discussing here today a very important bill, not only to the veterans of this country, but also to the millions of people who must have a roof over their heads and must rent housing in order to have that protection.

This bill is really a double-barreled bill. I see no real reason why the two issues should be joined: (a) the repeal of the Veterans' Emergency Housing Act or the virtual repeal of the act joined and coupled with (b) the extension of the Rent Control Act.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not a fact that this bill is drafted in such fashion that if you vote against the bill you are voting against the extension of rent control, and if you vote for it you are voting to destroy the veterans' housing program?

Mr. MONRONEY. My colleague has expressed it in perfect terms and perfect words. I am afraid that somewhere in the compromise of which this bill is probably the result, that the sugar coating to the well-established real-estate lobby is the promise to get rid of such construction controls as they do not like in exchange for their acquiescence to continued rent control. For that reason I think that if we had divided this bill, the House could have worked its will in a much better measure.

CRIPPLES VETERANS' PROGRAM

I wish to address my remarks first to title I of the bill. As I said earlier, the bill virtually repeals every single bit of help that the Federal Government can give to the 15,000,000 veterans of World War II that would help them get housing either for rental or sale.

When you pass this bill you will have not one vestige of authority in any governmental agency empowered to channel any scarce material, no matter how necessary for the completion of the veterans' housing program, into housing construction.

Instead, by title I of this bill you open up the floodgates of all the unnecessary commercial construction that has been held back for the past 10 or 11 months by the veterans' emergency housing law.

There has been a great deal of commercial construction now going on. According to my figures, in the last year we have permitted over $3,000,000,000 of necessary commercial construction to be done. Commercial construction that is not needed has been held back under Government regulations administered by local communities formed by veterans' and civic and church groups to carefully screen and determine which projects are necessary to put in work and which are not.

SIXTY MILLION IN ONE CITY

Let me give you an illustration. I do not have the complete backlog of the country, but to illustrate, in my own home city, Oklahoma City, this restriction against unnecessary commercial construction has resulted in a backlog in that community of over $60,000,000 worth of deferrable construction.

For the life of me, I cannot see how we will help the veteran who hopes to build a $4,000, $5,000, or $6,000 home or to rent a home of that character by putting this veteran in competition with gigantic commercial construction projects, that type of project, not needed, not necessary, but for which funds are on hand and the builders are anxious to build. So we will have the veteran, hoping to get this little home, placed in competition with public utilities, in competition with department stores, automobile showrooms, summer hotels, and beach houses. In fact, in competition with any kind of development that can be conceived by anyone will be opened up by this bill for immediate construction to hamper the veteran who needs a house.

You may say that that is wrong. That we have put a limitation in the bill. But my, what a very, very wonderful limitation this is. It says that whoever is to administer this act—and we do not know who it will be because that is another thing the Republican Congress is delegating to the President—the choice of who is going to administer the act—that if he finds out there is a scarcity of building materials he may limit the construction of amusement and recreational facilities. Well, I will admit that is a concession. Maybe we will not have all the race tracks or baseball parks built, but I expect we are going to get almost all of the unnecessary construction that is sought in spite of that limitation placed in this act.

PROVES DANGER TO PROGRAM

I think the placing of this limitation in the act is a confession on the part of the majority that limitation is needed. I regret they have not gone far enough to give real authority to somebody in the Government to prevent competition with veterans' housing for these scarce materials used in all this unnecessary construction.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Ohio.

Mr. BREHM. Evidently the gentleman's district is different from the one which I attempt to represent in Ohio. My mail has been coming in criticizing the present administration terribly for permitting honky-tonks, as they call them, dance halls and other buildings of that kind, to be built while no material can be supplied for legitimate construction. Something certainly needs to be done to correct this situation.

Mr. MONRONEY. I am glad the gentleman mentioned that. In his home community there have been boards set up and appointed by the mayor and local authorities to carefully screen the essentiality of all of the construction that is done.

We did have a lot of honky-tonks, juke joints, beer parlors, race tracks and those things built, but they were built as a result of that great mistake that was made—and many Members on the floor of this House helped to contribute to that mistake—when order L–41 was revoked immediately after VJ-day. Premature revocation of that construction limitation order that time opened up the floodgates that took about 6 to 8 months to get closed again. Those projects started then and which were more than 35 percent completed were permitted to continue. Let me remind you that order L–41 was taken out by the same groups who today are asking us again to open up the floodgates and permit all kinds of unneeded commercial construction.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not a fact that the adoption of this title as now written would actually interfere with the construction of essential commercial building; for instance in the building of veterans housing projects you need extension of utilities services?

Mr. MONRONEY. Of course, and veterans' hospitals.

This tears out any chance to channel scarce material to where it is needed most urgently in this postwar period.

GRANTS LIMITED AUTHORITY

I am not asking that we give unlimited authority, I am not asking that we delegate even the broad, sweeping powers that were given in the Emergency Housing Act, but in an amendment which I propose to introduce when we reach that section of the bill, I am going to propose several specific things.

I wish you gentlemen would consider them, because I think they are highly important.

My amendment will allow the Government Administrator to continue allocation and priorities (a) for pig iron, shop-grade lumber for millwork, steel, phenolic molding compounds and resins for electrical wiring devices, and for bottleneck items needed by public-service utilities and producers of housing and housing

materials; (b) for Government-owned surplus, including temporary structures and utilities; and (c) to limit, on not more restrictive terms, nonessential construction and use of housing materials, including the requirement that a dwelling must be suitable for year-round occupancy, not to exceed 1,500 square feet floor area, and have not more than one bathroom; second, to use not more than $65,000,000 of the $400,000,000 previously authorized for access roads and premium payments; and, third, to carry out market guaranty contracts heretofore entered into.

Now, those are all the powers we are giving to the Government in this amendment. I wish you could understand how minimum they are. These are the bare essentials found necessary to channel the tough bottleneck items to see that the veterans can get the scarcest building materials to help complete their houses.

EXAMPLE OF PIG IRON

Pig iron is a perfect example. You cannot complete a house unless you have cast-iron soil pipe; it is impossible to connect sewers otherwise. Cast-iron soil pipe is the only thing that the builders can use, and you simply cannot get enough of the pig iron necessary to make soil pipe unless the Government can say to the pig-iron industry, "You have got to give a percentage of your production to housing production."

If you want the automobile industry or if you want all of the other industries that are now running at peak production to come in first and take all the scarce items necessary for veterans' housing away, then title I will do it, and your housing will suffer. Housing is a combination of relatively small companies. These small producers are not able to take command in a tight market and get deliveries on that command.

Mr. BANTA. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. BANTA. The gentleman's statement about the scarcity of soil pipe calls my attention to some testimony before the committee, in which some gentleman, having heard Mr. Creedon say that soil pipe was one of the critical materials, went out to get the facts as to the production of soil pipe, Mr. Creedon not having presented anything in his conclusions. On page 386 of the hearings you will find what this gentleman submitted as a result of this study of Government figures.

Mr. MONRONEY. The gentleman did not claim there was a shortage of soil pipe?

Mr. BANTA. Yes; he did.

Mr. MONRONEY. He claimed there was a shortage of soil pipe. Does the gentleman from Missouri claim there is no shortage of soil pipe?

Mr. BANTA. I am only going by the record.

Mr. MONRONEY. The gentleman should correspond a little bit with the builders of this country.

Mr. BANTA. I am only going by the record, and there is nothing in this record, nor was there any testimony by any witness beyond the conclusion that there is a shortage of soil pipe, except that of the witness whose testimony is found on page 386 of the hearings, and in that statement, may I say to the gentleman from Oklahoma, he said that we were advised by the Civilian Production Administration that the production of cast-iron soil pipe in January was 55,000 tons, which is at the rate of 660,000 tons annually. Then he told us that 1 ton of soil pipe is needed for every 4 houses, and if that is true, if we would build 1,000,000 units this year, we would need 335,000 tons of soil pipe and, he said further, "we estimate that 144,000 additional tons will be needed for other construction, and that at the rate therefor at which soil pipe is now being manufactured today, we would have an excess of soil pipe if we build 1,000,000 this year."

Mr. MONRONEY. I appreciate very much the gentleman's contribution, and believe me it is a contribution, for this increase that has occurred in soil-pipe production has occurred because the Government had the right to allocate the pig iron. Without the allocation of the pig iron, this increase would not have occurred.

You take away the allocation rights and you go right back to the deficiency in soil pipe. You are getting production now on many heretofore scarce materials because you are able to allocate the scarce basic materials.

But if you wipe out that power and put the small cast-iron pipe manufacturers in competition with Ford and General Motors and the great giant industries of this country for a scarce supply of pig iron, you certainly will not get the soil pipe. Give to your Government the minimum controls that are now being exercised and getting the job done and bringing these supplies along, and let us go forward. Why disturb a program that is beginning to work?

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. If I understand my colleague from Oklahoma correctly, one of the prohibitions contained in his amendment is with reference to Government surplus.

Mr. MONRONEY. Yes; for use of Government surplus. Give the Government the right to have first crack at the necessary supplies and machinery and things like that that need to be channeled into housing.

Mr. RIZLEY. I want to call this to the gentleman's attention. He is probably not familiar with it. In the investigation of surplus war assets, one of the troubles we have run into is the fact that the Housing Expediter or FPHA get hold of a lot of this Government surplus property, or maybe they want to use it in veterans' housing, or maybe some veteran wants to buy this property, and they say that once you get it tied up with the Housing Administrator it is just there and nothing is done about it. Last December we were out in California making an investigation of surplus property out there. We ran into some huge cranes out there that were sitting there, stored, with other surplus assets. We wondered why they had not been sold.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield five additional minutes to the gentleman from Oklahoma.

Mr. RIZLEY. We wondered why these cranes were not being used. We were told by one of the administrators of WPA that some people out on the west coast who wanted to engage in the lumber business said that if they could get these cranes they could make available 100,000,000 feet of lumber, but they were tied up.

Mr. MONRONEY. Has the gentleman followed out the cranes? I know nothing about them.

Mr. RIZLEY. They were tied up by Federal Housing. They owned the lot. The cranes were not being used by anyone. As a result of that, we were losing the benefit of that lumber.

Mr. MONRONEY. I would say to the gentleman that undoubtedly you can find scores of cases where there have been mistakes made, but you will also find hundreds of cases where the Housing Authority has been securing this scarce material for use in lumbering and for transportation, bulldozers for opening sites. This equipment has been made available to builders who could not otherwise have gotten the necessary machinery they needed to do this housing job.

I think that for every case of an error you can point out you will probably find 10 or 20 places where this power has been the only relief that they have been able to get as regards scarce machinery or materials to home builders.

I know the gentleman is doing a great job in checking those things. It is to his great credit that he is following all of those details. Every time you can correct a case like that where this material is idle it is a great help. But you have first to freeze it to have the right to channel it if the builders and lumber people, the producers of building materials, are to have access with a decent priority to get this stuff to produce the materials we need for veterans' housing.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman's amendment relates to premium payments. Under the Patman bill we provide $400,000,000 for premium payments. The testimony here shows that only $50,000,000 has been spent on building materials.

Mr. MONRONEY. That is right. This extends it only another $15,000,000, to carry out the contracts already entered into and the programs under way. If you pass title I of this bill you are going to cut off the premium payments that have been getting increased production of scarce materials. There are many, many other scarce items where premium payments have been the only thing that have gotten out the maximum amount of production.

HELPS TO LOWER COSTS

I think this is an amendment that everybody should support with good

grace, knowing that you are carefully delimiting the amount of authority that the Government can exercise.

I would hate to be one who voted against these minimum powers and then face the veterans who see all of this gigantic wave of commercial construction that is unneeded going up, and also see their costs rising higher and higher.

Every issue of the papers that I have read in the past 2 weeks has said the building of houses has come virtually to a standstill. They also went on to say it was because of two things, primarily (a) prices of construction, and, (b) scarcity of materials.

If any Member in the House can tell me how the opening up of untold billions of unnecessary commercial construction competing with the veterans' housing will give him one cent reduction in the price of a house or give him a bigger supply of construction materials, I would like to have an answer to that question.

I know we will be running into the same thing that plagued us through the first 3 or 4 months of the veterans' housing program when this much-needed material went into unnecessary construction that had been started because of the unwise repeal of construction limitation order L–41.

VETERAN NEEDS FIRST RIGHT

I would like to bring out another point with reference to title I. The provision in the bill says that we are going to provide that the veteran gets first crack at the completed houses. That, I believe, was the hope of the chairman of committee, but if you read the bill carefully you can easily see that we are not giving the veteran a single bit of protection.

We are, in fact, saying to any contractor that all he must do is wait for the 30 days—just leave the house stand idle and not even offer it to anyone—and then he can sell it to his brother-in-law or his uncle or anybody he wants to. The veteran does not actually have a bit of guaranteed preference on the house.

If you will look on page 8, line 13, of the bill you will see this language:

> No housing accommodations consisting of a dwelling designed for a single-family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families.

That does not give the veteran a dime's worth of protection because the house can set vacant for 30 days and no veteran has any right nor has the Government a right of action against the contractor who completed it. The contractor can let it set for 30 days and then sell it to whomever he pleases, whether the purchaser is a veteran or not.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. Does the gentleman interpret that section to mean that the owner can hold it for 30 days and then sell it to someone other than a veteran at a price which a veteran was willing to pay for it?

Mr. MONRONEY. He can sell it at less than what the veteran was willing to pay for it under this section of the bill. I intend to offer an amendment designed to straighten that out, to provide that on publicly announced terms and conditions, the same as apply to anybody else, the veteran will have first chance to get this housing. That will make this section a veterans' priorities section. Goodness knows, there is little enough in this bill for the veteran. We should make him eligible at least to have a genuine first chance at the housing that is completed.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. HOLIFIELD. There is still no provision in the bill as to the margin of profit which the builder shall receive for that house.

Mr. MONRONEY. No.

Mr. HOLIFIELD. In other words, it is completely within the jurisdiction of the builder as to the price at which he shall offer the house.

Mr. MONRONEY. I want to be fair in this matter so I must point out that most of these houses will be completed under title 6 of the FHA, and they are under surveillance in that respect when it comes to insuring the mortgages.

Mr. HOLIFIELD. Then, if the amendment which the gentleman proposes to offer is adopted, it would be an open offering of this house at a stated price and on stated terms to the veteran.

Mr. MONRONEY. It would give the veteran a genuine preference on the house that is completed in the name of the veteran.

Mr. HOLIFIELD. I shall support the gentleman's amendment.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. Has the gentleman prepared his amendment? I am sure the Committee would be interested in hearing it.

Mr. MONRONEY. I would like to go on for a moment with title II of this bill, which is the rent-control section. I make no apology to anyone for my support of price controls during the years.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. CARROLL. I am so anxious to hear what the gentleman has to say that under the allotment of time I have been granted 10 minutes, and I would be very happy to give that time to the gentleman, because he is covering all the points I have in mind.

Mr. MONRONEY. The gentleman is very familiar with rent control, and so I will only use a couple of minutes.

WEAKENED RENT CONTROL

Title II, the rent-control section, definitely weakens rent control. Let no one say we are going to have as good rent control after the passage of this act as we have today. But having been one of those who saw the Seventy-ninth Congress tear up and wreck the price-control bill, this rent section of the bill is in better shape today by far than any of the price-control bills were at the time they were passed through the Seventy-ninth Congress.

If we can get the bill through with some amendments which will be offered when we start to read the bill, I think you can have a reasonably effective rent control, but with adjustments which are going to cost many, many tenants some more money.

But I think it will also give some much needed consideration that the property owners have not received under price control. Obviously, when everyone else in the economy is freed of controls, it is difficult to square your conscience with maintaining complete rigidity on rent control.

That was the problem of the committee, to try to find a way to provide, without further destroying the purchasing power of the American people who must pay rent, some way to compromise their differences in rates with the landlord.

One of these is the amendment now in the bill by the gentleman from California [Mr. FLETCHER]. It provides that if a tenant and landlord mutually agree to a long-term lease, extending virtually a year after the termination of price control, at a rate of not more than 15 percent above the ceiling price, that such agreed increase can be permitted. There is an amendment that is required to prevent evasion of that which will be offered later, in order to avoid phony leases to free the property from all rent control. An amendment will be presented to cover that situation.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. MONRONEY. The amendment that will be presented will be that if a lease is prematurely terminated, the house goes back to its old ceiling. If the landlord can find a tenant who is willing to agree to a 15-percent increase above the old ceiling price, then that 15 percent above the old ceiling price will be retained. But the house will not be removed completely from all rent control.

There are other things that need to be tightened up. I think particularly we do a great injustice to the people who have rented a housing under rent ceilings for all these years, to free new construction from all rent control. Worse than that, to free houses that have not been rented for two years from all rent control. I think probably there is some excuse for freeing the new construction, because of increasing building costs. But why someone who has not rented a house for two years should be released from all rent control is more than I can imagine. Bear in mind this could open up all kinds of evasions for the landlord who has been living in one house, and moves into a tenant house. Then he has a house, his own former home, that is completely free from rent control, for rent.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, I favor most provisions in title I of this bill and I am opposed to title II in its present form.

There is no problem before the Eightieth Congress which is more mixed up in politics than the rent-control section of this bill. Rent control is what is known as a political hot potato. That is why it was bounced around so much before it came to the House. But the realities of this problem cannot be evaded.

Here is an item from the Los Angeles Herald with this headline:

JAILED VET TRIES DEATH—HOMELESS WAR HERO SAVED

His pretty wife, Nyra, 21, was arrested early yesterday for ignoring a traffic light and was found to have been driving a car she said she had stolen. She said she and their 17-month-old baby had resided in it 6 weeks. Borgess, however, said he had stolen the car. He said they had been unable to find a home after he was discharged from the Navy and that his family had slept in cars, shows, and public parks.

Mrs. Borgess said her husband was a war hero; that at Tulagi he had tossed a hand grenade into a Japanese landing barge to kill more than 200 Jap soldiers.

Here is a war hero who fought in the far-away places. When he comes home, he cannot get a house to live in. He cannot find a place to house his family. Has this situation, and thousands like it, resulted from a shortage in housing or has it resulted from inequitable legislation by the Congress in the OPA and the Patman housing bills? That is the question before Congress now.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. BOGGS of Louisiana. Does the gentleman believe that the repeal of the Patman Act will benefit this poor veteran whose pitiful case he has just called to the attention of Congress?

Mr. BUFFETT. Repealing the Patman Act alone will not do it, but it will help. There is action this Congress can take which will give this young man a chance to get the house he cannot get today.

Mr. BOGGS of Louisiana. Does the gentleman believe this bill will help him get a house?

Mr. BUFFETT. Not in its present form; no.

Mr. Chairman, you will be told in appealing fashion that the reason for this unfair situation is that there is a vast shortage of housing. Let us try to get the facts on housing. In 1940, according to the Bureau of the Census, the United States had 34,855,000 occupied dwellings. In November 1945 we had 37,600,000 residential units, or an increase of 7.9 percent in the number of houses. In the same period, population had increased 6.5 percent.

In other words, there were considerable more residential facilities in this country at the end of 1945 than there were in 1940. What happened to those facilities? Why are they not available to the people? Because under the rent-control law we have expropriation of property from those who now own it. Through the operation of present rent control, the rental units in this country are disappearing from the market.

We find that 169 additional rent-control areas have been inaugurated since the end of 1945. In early 1946 there was passed a law that was supposed to end the shortage. But since December of 1945, 169 new defense rental areas have been set up. The problem has been accelerated and intensified.

The sound answer to the housing problem obviously is private rental construction. I looked up the record to find out what was done in private rental construction in the twenties, and I found that in 1924, 1925, 1926, and 1927 private industry in this country was supplying about 300,000 rental units a year. Obviously, our construction facilities have increased, perhaps doubled, since the 1920's, and yet last year—I do not know the exact number; I could not find it out—apparently something less than 100,000 private rental units were constructed. There was a great deal of Government construction of trailer-type and substandard housing, but private rental construction could not go ahead last year, and it will not be accelerated under the present bill.

To the contrary, in New York City the department of housing and building reports that since the end of the war demolitions have exceeded new construction of housing units by 3,223. Think of that. Here is New York City with about one-seventh of all the rental housing units of the country, yet New York City demolitions since the end of the war have decreased total residential units by more than 3,000. Is that solving the rental shortage?

You have been told, and you will be told again, that there is provision in this bill for hardship cases. I checked on how that is working in the city of New York. I am informed that last year $40,000,000 worth of rental property was turned over to the mortgage holders, either by straight-out foreclosure or by conveyal of deed, because the people owning the property could not get enough income from it under rent control to even pay upkeep and interest on their mortgage.

I wish I could sharpen that point for you. Let me say it again, $40,000,000 worth of residential property in New York City in 1946 was foreclosed because of a rent control law that claims to give the property owner a fair return on his investment. How would you feel about investing your money in rental property in New York City when $40,000,000 of said property last year was foreclosed? A man who is most familiar with that problem estimates that in 1947 there will be $150,000,000 worth of rental property foreclosed on in New York unless this Congress gives some relief to owners from rent control injustices.

I made a little experiment the other day which is interesting. I took last Sunday's Star and looked at the real estate listings in the want ads. Under the head of "Apartments for rent" there were a total of 79. Those were apartments where you might get in for 2 months, or you might move in with somebody else if you happen to suit them, and, counting all of these hybrid cases there were 79 apartments for rent. Ten years ago on the same Sunday there were 865 apartments for rent.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman does not think that is any criterion, does he, with conditions being as different as they were 10 years ago from today?

Mr. BUFFETT. Ten years ago people were needing rental quarters in Washington just as they are today, certainly.

Mr. ABERNETHY. They were looking for rental property, yes, but does the gentleman really believe that a comparison of Sunday last with 10 years ago is a fair comparison to be applied in the consideration of this bill?

Mr. BUFFETT. I am glad that the gentleman asked the question. Obviously, a comparison with 10 years ago or 5 years ago is not going to be absolutely accurate in every detail, but its usefulness in measuring the consequences of rent control is substantial.

Mr. ABERNETHY. How many people were in Washington 10 years ago?

Mr. BUFFETT. Washington appeared to be crowded for housing 10 years ago. The population had increased from 486,000 in 1930 to 616,000 in 1937 for the District proper, without comparable new construction. Certainly the Federal pay roll was rising in Washington in the late 30's.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Let us see if this does not help the gentleman. Ten years ago we had great unemployment in this country by reason of a depression which was promoted by Mr. Roosevelt saying that prices were too high, that we had to cut prices and reduce profits. We had the most precipitous decline in our economic history, is that correct?

Mr. BUFFETT. Yes.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CRAWFORD. Now we have a situation where some ten or fifteen million people have returned from the service, the greatest transformation of human beings in the history of this country. We have along with that same situation some $225,000,000,000 of excess buying power promoted by the fiscal policy of the Government in financing the war. As the Chairman of the Board of Governors has pointed out, we have a potential inflationary base of $225,000,000,000, is that correct?

Mr. BUFFETT. That is my understanding.

Mr. CRAWFORD. We have had price controls and price ceilings under which we permit people to spread out over the residential units, which the gentleman has so well pointed out. Those are the economic forces now running. So it is in order for the gentleman to bring out the fact that 10 years ago in Washington there were 865 apartment units available for rent and 79 today. Of course, you have a housing shortage. There is no greater housing shortage now than you had 10 years ago, having in mind similar conditions, and there will be no greater difference 10 years from now if we pyramid the situation by having 10 to 15 million people return from the military service, for instance, with a $450,000,000 potential inflationary basis.

Mr. BUFFETT. Yes. I thank the gentleman for his contribution. Now let us look at another aspect of this comparison, which will serve to make it more striking. Ten years ago there were 344 houses for sale in Washington. But last Sunday with the so-called housing shortage there were 1,215. There were more than three times as many houses for sale. Now, if the shortage is so great, how is it that 1,215 houses are for sale, or three times as many as 10 years ago?

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The gentleman would not contend, would he, that the market price of houses is not inflated?

Mr. BUFFETT. The market price of houses reflects the general deterioration that has taken place in our money. It reflects the rising cost of building construction that has taken place as the result of 14 years of inflationary government spending.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Mississippi.

Mr. RANKIN. It is a well-known axiom of economics that prices in a free economy are governed by the volume of the national currency multiplied by the velocity of its circulation. Ten years ago we did not have half of the amount of money in circulation that we have today. In 1930 we had $4,426,000,000 in circulation. Today we have considerably above $28,000,000,000. Ten years ago we did not have one-fourth of that amount. That accounts largely for the difference in the prices, and unless there is something done to curb the expansion of the currency, prices are going to continue to rise.

Mr. BUFFETT. The gentleman points out the fantastic inconsistency of this whole business. We have an inflationary situation that has caused all prices to go up, all costs to go up, all wages to go up, and yet the Congress singles out one group of people in this country and says to them "Your investment return has to be kept at an artificially low level, and we are going to keep you there whether you like it or not." Then we wonder in Washington why 2,000,000 rental units have gone off the market in the last 2 years. Two million rental units are off the market. That has accentuated this situation; that has prevented the veterans from getting homes; that has prevented people from taking jobs when they had a chance to move to a new city and take a new job if they could find rental quarters.

Mr. RANKIN. Mr. Chairman, if the gentleman will yield further, the attempt to hold down the small property owner to the economic level of 10 years ago or 15 years ago has not only almost destroyed him, but it has discouraged many people from building property that could be used now; in other words, the program we have followed is preventing the building of homes and at the same time has ground the little property owner into the dust.

Mr. BUFFETT. The gentleman is absolutely right. Bureau of Labor Statistics show that since 1939 building costs have increased about 68 percent, yet rents have been allowed to increase only about 4 percent.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I would like the gentleman to tell the committee what provisions are made in this bill that will be of assistance to the owner whose rents are frozen, say, in March 1942, where the cost of repair, including the cost of labor and materials, has doubled, and many times, in many cases, increased a number of times, so that there can be some relief for those people, all of whose rents go now for repairs.

Mr. BUFFETT. I regret I must report to the gentleman that there is no genuine relief in the bill as it is now constituted. There is a provision that if the tenant agrees to an increased rent, and he and the landlord get together under certain conditions, then there can be an increase in rent of not over 15 percent. It is a voluntary procedure and it would be speculative for me to guess whether or not it will have much effect. It may do well in some cases.

Mr. WHITTINGTON. I am talking about actual relief for people that now own their property, where they have to make repairs. In many cases the rents are being absorbed in making those repairs because of the increased cost.

Mr. BUFFETT. There is no relief in this bill for those owners of property. That is the reason I find it impossible to support this bill as it now stands. Congress certainly has one obligation to the people of this country, and that is to deal fairly with all groups.

Mr. WHITTINGTON. The only way is to vote against this bill and dispense with the continuation of these rent ceilings?

Mr. BUFFETT. It would have that effect.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Chairman, after returning to civilian life from military service; after talking to veterans and viewing the conditions under which they were living, I began to realize that America's number one problem was the disgraceful housing shortage. Later I attended meetings where great numbers of veterans were present and all expected action by this Congress to alleviate and remedy the housing situation.

Today the debate begins for the first time in this session of Congress upon legislation that affects the veteran and his housing problem. Notwithstanding the repeated demands of veterans and veterans' organizations, the present bill takes away from the veteran the few remaining safeguards existing under Federal law. Moreover, under title II of this bill, by indirection, the rent control program will be, to a large extent, completely nullified.

On this floor today I have heard the theories and political philosophy of the Members of this body, but the question remains, "What does this Congress intend to do about housing?" To date and after 4 months' deliberation, not a single measure has been passed by this body in connection with the housing program. Almost 2 months ago I called to the attention of this body the urgent and critical need to increase the appropriation to the Lanham Act by $50,000,000 in order that the veterans' temporary housing program be enabled to continue. Other bills of equal importance have been sent to the Committee on Banking and Currency, but still no action has been taken.

This is the first opportunity we have had to do anything about veterans' housing and what are we called upon to do? We are now called upon to take away from the veteran and his family any remaining safeguard given to him by Federal law under the Patman Act. Title I of this bill does that very thing to the veteran. A majority of the Committee on Banking and Currency have ignored the recommendations of all of the great veterans' groups in this Nation, every single one of whom has testified before the committee in opposition to those matters now contained in title I of this bill. The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the American Veterans Committee, the American Veterans of World War II, the Catholic War Veterans; all of these groups recognize the importance of continuing the few remaining provisions of the original Patman Act for the protection of the veteran, but their advice has not been heeded.

I have been conferring with the gentleman from Oklahoma [Mr. MONRONEY] who will present amendments to this bill which will be in keeping with the views of those who seek to preserve the little that is left to the veteran under existing laws. I shall support these amendments and urge upon every Member of Congress that they do likewise.

In addition to the blow that this legislation gives against the veteran in purchasing a home, there is another important aspect of this bill which should merit the consideration of all thinking Members. Under title II of this bill the committee has not had the courage to meet the issue head-on of increasing rents, but has used another device which will do

first, of several things, unquestionably it will increase rents 15 percent; second, it will result in the decontrol of a great number of residential units; and, third, it is designed to destroy any possibility of effective enforcement of control in the field of rent.

The housing situation is so critical in this Nation that even the majority of the Committee on Banking and Currency recognize the necessity of continuing rent control. There has been constant pressure by real-estate groups and others similarly situated urging this Congress to increase rents. The testimony before the committee reveals that other groups, labor, consumers, veterans' organizations, and many, many others have been fighting to offset this pressure to increase rents. In not knowing exactly what to do, the majority of the committee have seized upon this hypocritical device, which as I have pointed out before, will not only increase rents 15 percent, but which will ultimately result in no rent control at all. I repeat, they have seized upon this device in order to avoid the political consequence of a straight across-the-board 15-percent rent increase. Anyone familiar with law enforcement knows that the provisions of this bill will provide so many legal loopholes that it will be administratively impossible to continue to have effective rent control. This is another example of expert emasculation. This is another example of doing indirectly what the committee did not dare to do directly because of political consequences.

There is another point I should like to make. The majority of the members of the Committee on Banking and Currency have ingeniously tied together in this bill issues which should be treated separately. There are many who would vote for one portion of the bill but would not vote for another portion; and there are those of us who want to have continued existing controls, as meager as they are. For my part, I intend to vote for any amendments which will give strength to this weak and watered-down piece of legislation, and in the event these amendments are not accepted, I shall vote to recommit the bill to the committee for further study.

I should like to register my protest against this type of omnibus legislation. Time after time I have been called upon to legislate or vote on vital issues affecting the Nation and almost always have been denied the clear opportunity of voting on separate issues. Again, we are confronted with omnibus legislation that bodes no good for our Nation.

Mr. SUNDSTROM. Mr. Chairman, will the gentleman yield?

Mr. CARROLL. I yield.

Mr. SUNDSTROM. I assume that the gentleman has read section 4, title 1, of this bill. I believe that would do a great deal toward seeing that modern homes are furnished veterans at a price that they can afford. Does not the gentleman agree with that?

Mr. CARROLL. No; I do not agree with that entirely.

Mr. SUNDSTROM. What does that section mean?

Mr. CARROLL. If the gentleman will let me have that particular section, I will be glad to answer him. That is the statement about loans. That is the old statement about loans. I have been talking with economists. They are on both sides of the fence. They say we cannot afford to give 100-percent-insured loans to the people who are going to build homes. So we give 90 percent. What is the effect of it? Today, with a rising market no man is going to invest and take a loss. But I do not have much time and I do not want to get into the question of rent control and I hope the gentleman will discuss this matter on his own time.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. FLETCHER].

Mr. FLETCHER. Mr. Chairman, there will probably be no other bill before this Congress upon which so many Members of Congress will feel they are qualified experts. This point of view is not without some justification because the relationship between tenant and landlord is a common everyday one and familiar to all of us. It is for this reason that the only satisfactory and permanent solution of the rent control problem lies in mutual agreements, voluntarily made, between tenants and landlords.

I feel a personal responsibility for a provision to this bill which I offered as an amendment in committee in section 204 (b) and I wish to give you my conception of it. I quote from the bill:

And provided further, That in any case in which a tenant and landlord, prior to March 31, 1948, enter into a valid written lease in good faith with respect to any housing accommodations for which a maximum rent is in effect under this section and such lease takes effect after the effective date of this title and expires on or after December 31, 1948, and if a true and duly executed copy of such lease is filed, within 15 days after the date of execution of such lease, with the head of the department or agency designated pursuant to section 204 (a), the maximum rent for such housing accommodations shall be, as of the date such lease takes effect, that which is mutually agreed between the tenant and landlord in such lease if it does not represent an increase of more than 15 percent over the maximum rent which would otherwise apply under this section, and such maximum rent shall not thereafter be subject to modification by any regulation or order issued under the provisions of this title. No housing accommodatmions for which a maximum rent is established by a lease pursuant to the provisions of this proviso shall be subject, on or after the date such lease takes effect, to any maximum rent established or maintained under other provisions of this section.

This amendment was voted into the bill by a bipartisan vote of 20 to 3. I wish to thank the gentleman from Oklahoma [Mr. MONRONEY] for his remarks on the floor this morning favorable to this provision of the bill.

It means, unit by unit, the tenant and landlord may come into agreement not only as to the amount of rent to be paid but as to exactly what the tenant is to get for his rent and the responsibilities of both parties thereto set out in a written agreement. They may agree to repaint or remodel the dwelling unit at a slight increase in rent—not to exceed 15 percent.

This is what happened before we had rent control and it is what will happen after rent control is gone and forgotten. A free negotiation between two parties.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. KEATING. I congratulate the gentleman on this attempt at a solution of a very difficult problem. It seems to me it does furnish us a very good solution. Has it not been your experience that there are many tenants in this country—and tenants, I emphasize—who will be very grateful to see such a provision as this, because it will give them an opportunity to get some repairs on their apartments and houses that they have not been able to get in the past, and they are willing to pay a little something if the landlord will just do something? Under present provisions they cannot get the landlord, in many cases, to do anything. This will give them an opportunity to do so.

Mr. FLETCHER. The gentleman is a hundred percent correct. There are many, many landlords and tenants who have been driven apart. The owner of a property would very much like to do remodeling or repainting but he cannot get an increase in rent, so they are not able to arrive at the work to be done.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. COOLEY. Does this provision give the landlord the arbitrary right to increase rent 15 percent?

Mr. FLETCHER. No; it does not.

Mr. COOLEY. Suppose a landlord operating a large apartment house takes the position that he is entitled to a 15 percent increase in rent, and fails to agree with any of his tenants for anything less than 15 percent?

Mr. FLETCHER. The tenant remains in the apartment house as long as rent control continues. There is no compulsion.

Mr. COOLEY. In other words, the landlord cannot arbitrarily force the tenant to increase the rent.

Mr. FLETCHER. He cannot.

Mr. COOLEY. But they can do it by agreement.

Mr. FLETCHER. By mutual agreement.

Mr. COOLEY. In other words, the tenant will say to the landlord: "I will pay more rent if you will redecorate the house or make necessary repairs."

Mr. FLETCHER. That is correct.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I think we should have this in the RECORD: If I understand the bill correctly, if Mr. A who owns the building I am renting says to me: "Mr. B, I will give you a lease until December 31, 1948, at 15 percent increase" and I, Mr. B, refuse to accept that and rent control goes off on March 31, 1948,

then Mr. A, if he wants to, can increase my rent 30 percent from then until December 31, 1948, can he not?

Mr. FLETCHER. That is correct. After rent control goes off there will be no limitation.

Mr. CRAWFORD. So, my inducement to sign a lease for a 15-percent increase——

Mr. FLETCHER. Or for any amount less than 15 percent, remember that.

Mr. CRAWFORD. Yes, or any amount under 15 percent would be that I might be saving rent after March 31, 1948.

Mr. FLETCHER. That is correct.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from New York.

Mr. KEATING. The statement was made earlier this afternoon with which I do not find myself in agreement and I would like to have the gentleman's views on it. The statement was made that this provision in the bill gives the whip hand to the landlord. As I see it, as long as rent control continues and the tenant occupies the property if he does not want to agree to an increase he cannot be compelled to agree to it; whereas, if he feels that he can gain an advantage by agreeing to it then he is free to do so, the parties are free to deal as individuals the one with the other.

Mr. FLETCHER. I thank the gentleman for his contribution. He is entirely correct. I do not agree with the statement made earlier today that either the landlord or the tenant has the whip hand.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. McDONOUGH. I am wondering if there is any provision to afford protection so that the landlord cannot bring about an eviction but must deal with the occupant of the property at the time to negotiate this 15-percent increase? If that protection were not in the bill the landlord would have the opportunity of moving someone out in order to get the 15 percent increase from a new tenant.

Mr. FLETCHER. Under the eviction clause the tenant cannot be moved out to make way for that sort of increase. But I should like to continue.

As I was saying, this is an agreement arrived at by free negotiation between two parties. There is no compulsion to force a lease to be made. Tenants can continue to have such protections as are afforded under rent control without entering into a lease with the landlord. But it does afford the tenant a method by which he may guarantee that at least until December 31, 1948, he will pay no more rent than he has voluntarily agreed to pay up to a 15-percent increase, and that he will get such services and maintenance of the property as are agreed to in the lease.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. MONRONEY. The December 31, 1948, date is the minimum tenancy. The tenant can ask for another extra year if he wants it for further protection.

Mr. FLETCHER. I thank the gentleman for his contribution. The December 31, 1948, date is merely the minimum protection of the lease. It can run for 2 or 3 years and give the tenant further protection.

Rent control has driven tenant and landlord apart—this provision brings them together—it is the American way of doing things. For those who wish to enter into such a lease provision, it is a very simple matter. For 5 cents in any stationery store you may purchase lease forms which only need to be completed as to names, description of the unit to be rented, and the terms.

I confidently believe that under this provision, many leases would be made at no increase in rents, and many at a 5-percent or a 10-percent increase. It does not necessarily follow that all of these leases will be made at the maximum of 15-percent increase. Many tenants and property owners all over the country, have indicated to me that they will have no trouble getting together. One of my colleagues on the Banking and Currency Committee reports a survey in New York indicated four out of five tenants ready and willing to voluntarily give the landlord an increase in rents for the security of tenancy—but the present rent-control laws prevent it.

Certainly, it cannot be the intention of this Congress to prevent the tenant and landlord from voluntarily entering into a mutually satisfactory agreement.

It will be said that as vacancies occur the landlord will demand the maximum of 15-percent increase before leasing to a new tenant. I maintain that this is not necessarily true—but even if it were—is there anything wrong with that?

What is sacred about the amount of rent a person pays? I am one of the first to agree that it is most important for all people to have a decent home in which to live. But there is nothing sacred about the percentage of one's income spent in rent, any more than that percentage spent for food, clothing, or the other necessities of life. The simple truth of the matter is that the latest Bureau of Labor Statistics figures indicate rents have gone up but 4.2 percent since 1940 while food has gone up 91.1 percent and clothing 67 percent.

Undoubtedly there will exist, side by side, units paying different rents because of the difference between those who have not agreed on a lease and those who have. What is wrong with that? The tenant with the lease may be paying a little more but is willing to do so for the guaranty of tenancy under his lease. When are we going to stop thinking in terms that the tenant ha any squatter's rights to another man's property? Has the demagogic propaganda of socialized housing so weakened the moral fiber of our people that the tenant can virtually confiscate the private property of the owner?

Let us stop trying to control the lives and property of Americans by Federal legislation. Let us give back the control of rents to the tenants and the landlords where it belongs. In this period of reconversion to a free economy, I recommend as a partial solution, this provision which allows tenant and landlord to voluntarily enter into a mutually satisfactory lease for the protection of both parties.

But the only fair and final solution is complete elimination of rent control at the earliest practical date. I expect to offer an amendment, at the proper time, which will definitely end rent control on December 31, 1947, with no provision for extension by Presidential proclamation.

I do not believe in the delegation by Congress to the President of our legislative power to continue rent controls after December 31, 1947.

I, for one, wish to stand up and be counted as faithful to my personal pledge and to the pledge of the Republican Party to set free the property owners of America.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Kentucky.

Mr. SPENCE. Of course, I think there are inequities on both sides. Sometimes the landlord gets too much, sometimes the tenant gets too much. But does the gentleman think there would be any freedom of contract now in regard to an increase of 15 percent, and would not the tenant be under duress to a certain extent because the landlord would say: "If you do not agree to the 15-percent increase at this time, as soon as these controls are off, as they will be shortly, I will charge you all the traffic will bear." Does not the gentleman think that would have a great influence on the tenant to agree now to that increase of 15 percent? Does not the gentleman think it would disrupt the relationship between the landlord and the tenant? The landlord would want to forfeit the lease, he would want the present occupancy to cease in order that he might be free to impose a 15-percent increase.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. I yield the gentleman two additional minutes.

Does not the gentleman believe that under these circumstances it is practically doing away with the present rent control and increasing the rent largely throughout the United States by 15 percent?

Mr. FLETCHER. My answer to the gentleman is that by voluntary agreement these parties can get together. There has been evidence all over the country where they have wanted to; they have expressed themselves of the desire to get together I have more faith in the tenants and the landlords of this country that they will not try to gouge each other.

Mr. SPENCE. That is all right; the law recognizes voluntary agreements; it also recognizes duress. Under the peculiar circumstances that now exist, the landlord can exercise an influence on the tenant that he would otherwise not exercise. The landlord knows and the tenant knows that before long these restrictions will be lifted, and he can impose his will now on the tenant that he would otherwise be unable to do if the conditions did not exist that exist at the present time. You may say that the

landlord could impose on the tenant at any time and tell him that as soon as his lease is over "I am going to raise your rent," but the tenant now is protected against that.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from California.

Mr. McDONOUGH. Does the gentleman from Kentucky contend that the relationship between the tenant and the landlord is anything but difficult at the present time? They are now only receiving as an average a 4-percent increase over the cost of the commodity, and the strained conditions certainly would not be any more emphasized by the possibility of an increase of 15 percent.

Mr. SPENCE. I think they would.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. SUNDSTROM].

THE NEW TITLE VI PROVISIONS ON FACTORY-PRODUCED HOUSING—HOW THEY WILL WORK

Mr. SUNDSTROM. Mr. Chairman, H. R. 3203, as reported by the Committee on Banking and Currency, contains an amendment to title VI of the National Housing Act which will stimulate the production of houses at moderate prices through the use of modern production methods. To get moderate-priced housing which the average family can afford, we need to encourage more modern methods of building houses. I believe that the mass production of houses will bring the same benefits in lower prices as mass production methods have in other industries.

I am making this statement for the RECORD to show how this provision would operate.

In brief, this amendment simply makes FHA insurance of loans available to manufacturers who produce houses in factories. It enables them to borrow the working capital necessary to manufacture houses. FHA would insure a bank or other lender against loss on a loan which did not exceed 90 percent of the amount which the Administrator estimates will be the necessary current cost of manufacturing houses, exclusive of profit.

Before a loan to a manufacturer would be eligible for FHA insurance, the manufacturer would show that he meets the following conditions:

First. That he has binding purchase contracts for the purchase and delivery of the number of houses to be manufactured from the proceeds of the loan. What this condition contemplates is that a manufacturer have bona fide orders for his houses. It does not necessarily mean that there has to be cash-down payments, but there must be legal consideration which establishes a binding contract to purchase by the ultimate consumer, builder, or responsible dealer. This condition will prevent FHA insurance of loans where there is a mere hope of getting business. The company must have a market, as evidenced by binding purchase contracts.

Second. That the houses to be manufactured will meet such requirements of sound quality, durability, livability, and safety as may be prescribed by the Administrator.

What is contemplated by this condition is the structural approval which the FHA has been giving in the case of houses that have been approved for the market guaranty contracts. Recognizing the necessity for mass production in a factory, FHA has provided an advance review of a house and given an advance approval of its structure. This gives the manufacturer necessary assurances before he puts a house into mass production. It is most important that we meet such problems of mass production in the factory by adjusting the procedures and practices of the administrative agencies to the requirements of uniform production on a production line.

Third. That the borrower has or will have adequate plant facilities and sufficient capital funds—taking into account the loan applied for—and experience to achieve the required production schedule.

This condition recognizes that, besides the cases where a manufacturer already is in a plant and has sufficient capital funds, there are cases where the manufacturer has made arrangements to get a plant or to get capital. In such cases, it would not preclude a manufacturer from also arranging to get an FHA insured production loan for the manufacture of houses. In any large financial enterprise, there often are a number of different types of commitments involved—such as for a plant, enlisting capital for tooling up, employing production experts, and so forth—and each of these commitments may have to be conditioned upon securing other types of commitments, such as for working capital. So long as the sum total of the commitments and arrangements will give reasonable assurance of producing the desired result, the manufacturer would be eligible under this provision. In general, the objective of this provision is to preclude FHA insurance of loans to manufacturers who cannot make a reasonable showing that they will have the necessary plant, capital, and experience to accomplish the result of producing houses with the working capital to be provided by the FHA-insured loan. In this respect, the provision is a conservative one, as it will weed out speculators and irresponsible applicants.

Fourth. That the loan will involve a principal obligation which will not exceed 90 percent of the amount which the Administrator estimates will be the necessary current cost of manufacturing such houses.

This condition specifically excludes profit from this necessary cost. In this way, it makes it clear that the purpose of the insured loan is to protect the lender and not to guarantee a profit to the producer. The security to be given for these loans is an assignment of the purchase contracts for the houses and the sums payable under such contracts. Provision is also made that the FHA may require further security, including the right, in case of default, or at any time necessary to protect the lender, to compel delivery to the lender of any houses manufactured with the proceeds of the loan, and then owned and in the possession of the borrower. This security language has been carefully phrased after consultation with lending institutions. This provision gives reasonable security for the insured loan. At the same time, it recognizes that we must avoid burdensome restrictions by encumbering the inventory, as this would hamper the day-to-day operations of a factory and the rapid consumption of raw materials on a production line.

Since this is an amendment to title VI, the insurance of loans will be subject to the over-all limitation on the total amount of insurance authorized to be issued and outstanding. It is particularly important that these provisions be administered in a manner which is adapted to the short-term maturity of the loans, which are not to exceed a period of 1 year, except for refinancing not to exceed a further period of 1 year. The intent of this amendment is to treat as a charge against the over-all limitation on title VI insurance the amount of insurance of loans under this section which is outstanding at any one time.

I have discussed with the Federal Housing Administrator the making of additional loans to a manufacturer from time to time as he receives additional purchase contracts. That is the intention of this amendment and I have been assured that this presents no problem under the language of the amendment.

There is also nothing in this amendment which would preclude continuing a loan under this section until its stated 1-year maturity by substituting an assignment of additional purchase contracts for those on houses which have already been sold.

While the language of this amendment refers to houses, I do want to make it clear that it includes housing in its broader sense. If a manufacturer is producing multiple rental housing units which he is going to sell, this amendment would cover those, just as it covers individual houses which are to be sold. In view of the urgent need for moderate rental housing, I hope that more of the companies will concentrate attention on producing multiple dwellings at lower costs.

This amendment will not only be a great stimulus to housing manufacturers, but it will also help material and equipment producers who sell to these manufacturers. They will be assured of payment promptly, because FHA insured production-loans will make working capital available to meet the cost of manufacturing houses. All of this will help contribute to lower costs.

In summary, I want to emphasize that any new legislation intended to meet a new problem will have to be administered with the steady purpose of meeting that problem. I am sure that that is the way the FHA would administer it. I have great confidence that the enactment of this amendment which I introduced in committee, will prove to be of great and lasting benefit to the veterans of this

country by stimulating the production of housing they can afford. It should also help establish a new industry which will contribute to a stable and prosperous economy.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, first I want to congratulate the committee for bringing a bill to the floor at this time and in time for it to have plenty of consideration by the House and the other body as of before June 30.

I can fully appreciate that the members of this distinguished committee have a difficult economic and political problem to deal with, and that also goes for all of the other Members of the House as well as the other body. There are provisions in this bill with which I am not too friendly. I understand certain amendments will be offered which I expect to support.

I cannot reconcile myself to the theory that we, as a Congress, should not take specific steps to categorically protect those owners of excess living units—and by that I mean the man or the woman, or both, who have lived simple lives, exercised thrift, accumulated enough money to buy a small shelter in excess of that which they need themselves, and wherein they have gone along and assumed the risk of ownership with respect to taxes, depreciation, insurance costs, decline in market value, and other hazards, the excess ownership in the form of an extra living unit which someone can occupy as a tenant, and who does not want to take on the risk of ownership himself. There are a lot of these little folks, elderly men and women who invested their savings in excess housing facilities over and above their own needs which they have been renting to these other people who are tenants, and who did not want to own a home but who are not perhaps willing to live as simply, who did not exercise the same amount of thrift and have no idea of exercising such thrift, but who live and absorb under the umbrella of OPA rent controls and in many instances take property away from the good, thrifty, elderly people along a line which, in my opinion, gets very close to taking property without due process of law.

I think the bill should be made very clear in provisions that protect these little people who have no money in the first place; and in the second place, do not know how to acquire the necessary legal talent to see that they get an adjustment under the somewhat vague language that is in this bill.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. The gentleman heard the statement on the floor this afternoon that the bill if enacted would create discrimination between landlords and tenants. The gentleman is aware, of course, that the law as it now appears upon the books does create and cause discrimination between landlord and landlord and tenant and tenant.

Mr. CRAWFORD. Personally I think it is one of the most discriminating, one of the most inequitable, and one of the most unfair programs that has ever been carried on by the Federal Government in its history.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This bill in its present form takes the ceiling off new construction.

Mr. CRAWFORD. That is correct, as I understand it.

Mr. BROWN of Georgia. It takes the ceiling off a building you are repairing, just so you put a partition in it so you can get more tenants in it. It takes that class off.

Mr. CRAWFORD. I understand so.

Mr. BROWN of Georgia. It takes ceilings off the fellow who got mad and would not rent in 1945 and 1946.

Mr. CRAWFORD. Would the gentleman let me say it this way? It takes the ceilings off those properties which were owned by people who refused to rent them at a price below the cost of maintaining the property.

Mr. BROWN of Georgia. That is right, the class of people that did not subscribe to the theory of the Government. Therefore, the other people, who went along and rented their homes, now will not get any increase, but the fellow who bucked the Government will get an increase.

Mr. CRAWFORD. No; the fellow who had sense and intestines enough to protect his own economic position gets the increase, because there are people who do know something about the cost of maintaining property and who take the position, at least at this moment, that the Government has no right to take that property away from them through OPA rules and regulations and give the property to someone else. That is the issue which is involved in this proposition.

Mr. BROWN of Georgia. May I say to the gentleman that only 3,670 individual housing units of the 16,000,000 under rent control received an upward adjustment in rent to October 19, 1946, under the hardship provisions of the OPA. This is less than three one-hundredths of 1 percent. I want this class of people to have the same treatment everybody else gets. It is a good idea if you can make these adjustments, but they just do not make them. Therefore, you have to cut across the board so as to give these people relief compared with other people.

Mr. CRAWFORD. And by cutting across the board, if I understand the gentleman, he proposes to support an amendment to give an increase in rents all the way across the board.

Mr. BROWN of Georgia. Absolutely. The person supporting ar amendment like that can point out the fellow who in 1945 and 1946 had his house closed, and turn around and see the other people who rented their homes; and they cannot get their ceiling increased but the fellow who locked the door against the veteran that came back can get it.

Mr. CRAWFORD. In other words, the man and woman who owned those little places and who went along in the faith and belief that their Government would treat them right, and who have been unable to get an adjustment under the hardship clause as evidenced by the figures which the gentleman has submitted, are entitled to a place in the sun.

It is for that reason that I propose to support the amendment.

I think that the present law has provisions in it which would protect these little people if the little people could get the administrators of the present law to give them fair treatment. But I do not think those little people can get that sort of treatment.

In my own home town, the local regional rent administrator has insulted the intelligence and patriotism of honest men and women who live simple lives and practice thrift and contribute to the tax box and who buy bonds. He carried the matter to the point where he would not even let them talk to him over the telephone, to say nothing about calling at his office. I went into his office and said to him, "You and I are servants of the people. Our salaries are paid by these good taxpayers." Incidentally, I took those taxpayers in with me and he saw us. I read the riot act to him as a fellow can if he gets mad enough. I told him what I thought about it.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. KEATING. I appreciate that there are cases such as the gentleman has mentioned. Probably there are a good many of them. The gentleman has made a very strong plea for the little landlord. But will not an across-the-board increase in rent, in your judgment, create many more inequities than it will cure?

Mr. CRAWFORD. I do not think it will because I do not know of an occupation or profession in the United States where the workers in that particular group or classification have not received substantial rates of increase in pay during the last 4 or 5 years. That goes all the way from the person who performs the lowest stoop labor up to the highest paid professional men and women in the United States. They have had their increases in pay. The plumber and plasterer and carpenter have certainly had their increases. But the person who owns a little home where the plumbing has to be repaired and where repairs and decorating have to be done have had no substantial increases in their rents. They are entitled to those substantial increases along with the others.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BROOKS. What study, if any, did the committee make in reference to the possibility of turning this problem over to the States where the States have laws and are willing to shoulder the responsibility? It has always occurred to me that real estate and the handling of

real estate was primarily a local function. It is not movable property such as an automobile that can be driven from one State to another. Where the State has a law which is adaptable to these circumstances and they are willing to shoulder the responsibility, what does the act permit that State to do?

Mr. CRAWFORD. First, let me say I agree with the gentleman that this matter should now go to the States if it is to be continued. Secondly, I would prefer to have the chairman of the committee or the ranking member on the minority side answer the gentleman with respect to such study as the committee might have made on that subject.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. FLETCHER. Does the gentleman believe that rent control should be continued beyond December 31, 1947?

Mr. CRAWFORD. If it was entirely left to me, I would discontinue all rent control not later than December 31, 1947. I would discontinue it lock, stock, and barrel. I would let the people of this country get back to carrying on their own affairs and let the owners and tenants work out their own economic salvation. But, of course, I will not have my way about it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. RANKIN. A while ago we were in a colloquy about the prices 10 years ago and now. I got from the Treasury Department the statement for December 31, 1936, and December 31, 1946. On December 31, 1936, we had in circulation $6,542,752,261, and this year we have $28,952,436,702. In other words, we have more than four times, almost five times as much money in circulation as we had 10 years ago. That is the reason prices of commodities have advanced, while rents have been arbitrarily held down.

Mr. CRAWFORD. That is correct so far as you go, but still other inflationary forces have contributed to the spiraling of prices.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BANTA].

Mr. BANTA. Mr. Chairman, I regret very much to find myself at difference with the distinguished chairman of the Committee on Banking and Currency, which considered this bill, as well as with other members of the committee who voted to report it to the House in this form.

I am unable to go along with any who believe that this bill will improve the situation in which we find ourselves now, under the present law, and those laws which have been in effect during the time that control has been in effect over those groups of our citizens who are landlords and tenants.

For a great many years either the Congress or the administrative agencies set up by the executive department have been classifying our citizens, placing them into categories, and giving preferred treatment to this category or that category, for one purpose or another. We have complained bitterly about the fact that the administrative agency which has exercised control over the rental properties, as well as control over the construction of housing units throughout the country, has been unfair to the *n*th degree. I have not found anyone to raise his voice in commendation of any of the administrative agencies, successive to one another in this field.

The testimony before this committee shows that there are approximately 16,800,000 housing or dwelling units in this Nation which have, at one time or another, been under Federal control. We all know how unfairly the owners of those units have been treated.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mr. BUFFETT. The gentleman made a very energetic effort in the committee to find out if the present rent-control law was alleviating the housing shortage. Was he able to get any facts from the officials in that respect?

Mr. BANTA. I not only made inquiry from all officials and witnesses who testified before the committee who could have possessed any information and failed to get it, but I have since reviewed the hearings, and it is not to be found. I think one of the greatest indictments of the program for continued control over rental properties is to be found in the fact that no one who appeared in behalf of the several housing agencies was able to tell this committee how many unoccupied houses there are in this Nation now, while at the same time we are asked to believe there is an acute housing shortage. It is estimated there are from 150,000 to 200,000 houses now unoccupied, but this estimate had to come from a person outside the Government who was admittedly making a guess. Much has been said about what we should do for the veterans to get them into these houses. If I analyze this situation correctly, the very controls which have been impressed and which this bill, if enacted, will continue to impress, will keep the inflationary situation alive. It is forcing rental houses off of the market, forcing them into a market which is a seller's market, and that itself steps up the price, because if you cannot rent shelter you are forced to buy it, and at the seller's price. If you make shelter subject only to purchase, then the price goes up. What are we doing to the poor veteran who wants shelter and who cannot rent it, but must buy it on a seller's market at such ridiculous prices? We are forcing him to buy it at a price he cannot afford to pay, which is wholly unfair and unjust.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BANTA. I yield.

Mrs. BOLTON. In the study the gentleman has made of the situation did he find anything like the situation which I have in Cuyahoga County in the matter of single-person units and family units? Did he find any situations that would show the accuracy of facts given me during a study I had made of housing facilities, especially for veterans' families? I found that between April 1940 and November 1945 one-person households in the urban areas of the United States increased 42 percent. This means that 2,372,000 dwelling units were occupied by one person in November 1945, whereas in April 1940, only 1,671,000 were so occupied. In fact, if no more one-person households occupied dwelling units in Cuyahoga County now than in April 1940, there would be ample places for all to live.

Mr. BANTA. The gentlewoman from Ohio is exactly correct. I have a letter this morning from a lawyer in Los Angeles, Calif., in which he makes this significant statement:

> I have a house built to take care of 290 people that is actually housing 142 people. The consideration I got from OPA for increased occupancy is negligible, so that when an apartment becomes vacant I rent it to one person. OPA allowed for increased occupancy in one specific case 12½ cents a day additional for an increased occupancy from one to four persons and furnish everything, including laundering of the linens and weekly maid service. Under the circumstances I rent to one and forego the 12½ cents a day to which I would be entitled if I furnished everything to three additional people.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BANTA. This bill continues the present situation which will permit the hoarding of houses. It divides tenants into classes, namely, the tenants who occupy old houses and the tenants who will occupy new houses, to say nothing about placing the veterans into a separate class as well as into the two classes formerly mentioned.

It divides landlords into classes, namely, those who own rental houses now completed, and those who will own houses yet to be completed. It is grossly unfair to the owners of presently completed rental houses, 80 percent of which are owned by small investors who, in many instances have their life savings invested therein, having so invested with the hope that they could have a fair return on the investment which under continued rent control is impossible.

It will perpetuate bureaucratic control of one-fifth of the economy of this Nation and transfer a legislative function to the executive branch of the Government.

If all of the American people are entitled to fair treatment, if they are all entitled to equal rights and privileges under the law if private ownership of property is a right to be cherished, and one that should be encouraged, let us free ourselves from bureaucratic control of the houses in the Nation.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I have been sitting in the Chamber listening to

the debate and have come to the conclusion that if we would do the American thing and provide the means or open the gate whereby we could make available additional housing to veterans we should get rid of OPA just as fast as humanly possible. During the war I had the privilege of making an investigation of housing conditions which included my own State as well as others. The last day of the investigation happened to be in Los Angeles. I heard 106 people testify that last day and I was told time and time again by veterans themselves that if we could eliminate Government control houses would be available for veterans. Apartment houses would be available also.

Mr. Chairman, we have had control by the Government of the people's business for so long that a lot of people today are not renting apartments and houses that they own. At the present prices they are getting for homes and apartments they cannot afford to have them picked to pieces, like they are in some instances, without having some protection.

We hear the great plea, "We want to help the veterans." I wish it were possible for some of the veterans who are deceased to return and observe how their own mothers and fathers are being treated today throughout the country. I can cite instances where mothers and fathers, elderly people, who have lost one, two, or three sons, have two, three, or four houses to rent, and that is all they have in God's world to take care of them. Today under Government control they cannot rent their property for the amount of the cost of maintenance. Taxes have increased in some instances as much as 50 and 60 percent, yet these people cannot get an increase in the rent of the properties. We talk about justice. Mr. Chairman, this is one of the greatest un-American conditions that faces the country today. We have not attempted to touch upon the subject of providing additional housing. We have strangled those who would like to make it possible to have additional housing, leaving it to some Government bureau to provide the housing. Many of these men know nothing about the situation.

Mr. Chairman, I could not vote for the pending bill today if it meant my job tomorrow morning, and I would gladly yield my job tomorrow morning if we could get rid of these controls at that time and give the whole business back to the American people and let them provide housing for the veterans. I will gamble with any of you on that.

Oh, yes; a year ago we were talking about increasing our own salaries, yet we do not want to do anything to help the one who owns property, giving them the right to live. I have people in my district who, by the time they pay the taxes, the water rent, garbage disposal charges, and so forth, are losing on each family unit at the present time from $20 to $40 a unit per year. How many of you would stay in business if you operated like that? Can they get an increase? No. The OPA strangles them. How many of you Members know that the Office of Price Administration, and I offer this for the RECORD, have sent out Form 298-49 which contains questions on both sides to be answered by the person who is a renter so that they can get more propaganda and make it possible to keep their jobs a little bit longer, and at the same time strangling the fellow who wants to help the American people.

Mr. Chairman, this OPA Form 298-49 is as follows:

OPA Form 298-49.

Form approved.
Budget Bureau No. 08-R1728.
Approval expires 9-30-47.

TENANT'S STATEMENT

1. Address of premises _____
2. Apartment or room No. ____ Number of rooms in your apartment ____ Number of occupants ____
3. Check type of rental: ☐ Furnished. ☐ Unfurnished.
4. Rent paid $_____ per _____.
(a) When is rent due? _____
(b) To whom is rent paid? _____
(Name (Address)
(c) Since what date have you paid the above rent? _____
(Month) (Day) (Year)
(d) Do you get rent receipts? ☐ Yes. ☐ No.
(e) Do you pay by check? ☐ Yes. ☐ No.
(f) Check services supplied by landlord which are included in your rent. ☐ Garage. ☐ Heat. ☐ Water. ☐ Gas. ☐ Electricity. ☐ Refrigerator.
(g) When did you move into the above accommodations? _____
(Month) (Day) (Year)
5. If you were living in the above accommodations on May 1, 1945, please state what rent you were paying on that date: $_____ per _____.
6. If your rent was increased or decreased during your tenancy:
(a) When did the change occur? _____
(Month) (Day) (Year)
(b) What amount did you pay before change in rent? $_____ per _____
(c) What amount did you pay after change in rent? $_____ per _____
(d) State reason for change in rent_____
7. Has the landlord reduced any of the services, furniture, furnishings, or equipment since you moved into these accommodations? ☐ Yes. ☐ No.
If the answer is yes, state:
(a) Service, etc., which has been decreased _____
(b) Date decrease occured _____
8. Did you pay extra money or a bonus to the landlord, agent, or superintendent in order to obtain the accommodations? ☐ Yes. ☐ No. If yes, state:
(a) To whom extra money or bonus was paid _____
(b) Amount of extra money or bonus_____
(c) Date extra money or bonus was paid____
9. Did you pay a brokerage fee, commission, or reward in order to obtain accommodations? ☐ Yes. ☐ No. If yes, state:
(a) To whom paid _____
(b) Amount paid _____
(c) Date paid _____
10. Did you pay any security deposit in addition to your first month's rent to the landlord, agent, or superintendent? ☐ Yes. ☐ No. If yes, state:
(a) To who security deposit was paid _____
(b) Amount of security deposit paid _____
(c) Date paid _____
11. Did you purchase furniture or other property from landlord, agent, or superintendent in order to obtain these accommodations? ☐ Yes. ☐ No.
If yes, state:
(a) From whom purchased _____
(b) Amount paid _____
(c) Date paid _____
(d) Items purchased _____
12. Did you pay for painting or decorating of accommodations? ☐ Yes. ☐ No.
If yes, state:
(a) To whom payment was made _____
(b) Amount paid _____
(c) Date paid _____
13. Has the landlord refunded any money to you? ☐ Yes. ☐ No. If yes, state:
(a) Who paid the money to you _____
(b) Amount refunded to you _____
(c) Date refunded to you _____
14. Please give name and address of landlord of accommodations in (1) above
_____
(Name) (Address)
15. If you are not living at address in (1) above:
(a) When did you move out _____
(Month)
_____
(Day) (Year)
(b) Give your present address _____
_____
(Number and street((City and State)
16. Comments: (Brief)
_____ _____
(Date) (Tenant's signature)

Mr. Chairman, I want to take a minute to read a letter which I received from a man in my district. I have received many of them from my district, but this one is a very fair letter because the writer admits in his letter his own position. It reads as follows:

BAKERSFIELD, CALIF., *April 12, 1947.*

Mr. ALFRED J. ELLIOTT,
Congressman, Tenth District,
Tulare, Calif.

DEAR MR. ELLIOTT: Of course, I realize that I am in the real-estate business, and therefore possibly prejudiced, but at the same time there is such a thing as justice.

It is probably difficult for anyone to get all of the figures, but tremendous sums are being paid the farmer, as well as others, for the purpose of maintaining prices and/or subsidizing operations. The landlord, however, has taken a terrific beating and still continues to get no relief.

The country's landlords have not asked for subsidies, although the Government has spent outlandish amounts supplying public housing, which is nothing more than a subsidy to renters.

All of the rent-control administrators that I have come in contact with have been of such a caliber that they were just filling in with that particular task until they could get something more stable, as most of them had never held a job of any responsibility.

We have had one here who could tell your landlord or landlord's agent, how the poor tenant should be protected, but at the same time he could spend all of his money betting on the horses.

Now the tenants are receiving the enclosed questionnaire and letter from the OPA Enforcement Division.

It would appear that they are trying to again develop more propaganda and publicity for consumption by the Congress in order to keep their bureau alive.

I personally do not own any rental property that would be affected by the continuation of the OPA rental program. I do have charge of approximately 85 rentals, however, and I can say that if the rents were increased or even doubled my personal income in way of fees from handling of these properties would be no different than it is now, so I am not discussing the mattetr from a selfish angle.

I can also state that momentarily I have actually benefited from the rent control program as many properties that the landlords would have kept as rentals have been sold because of the OPA policy.

I believe this is true over the entire country, and it still gets back to what has been said so many times, namely:

"The OPA has kept rentals from increasing, but there are no rentals."

If you are given an opportunity, I hope you will give some consideration to this subject.

Very truly yours,

WARDE D. WATSON.

Mr. Chairman, in making the statements I have made, I have tried to be fair and consider the facts. As I said, I yield to no Member in my desire to improve the housing conditions in my own State as well as in the other States, and I say to you sincerely that if we can eliminate some of the Government controls and make it possible that people can build like we did prior to the war, we will achieve success.

Now, some people will say that many articles cannot be purchased. I can cite an instance where a gentleman in my congressional district, who manufactures articles from pig iron, was making every endeavor to keep up his pig-iron operation to produce some of the necessities mentioned on the floor today. He was told, "We cannot provide you with pig iron on account of the shortage of coal, and for that reason we will have to deny you the right to have any additional pig iron." That went on until his whole allotment of pig iron was practically shut off, but at the same time that he was appealing to the Federal agencies to get some additional pig iron, in Los Angeles, Calif., there were 15,000 tons of pig iron loaded, on the boat, being shipped to Soviet Russia, and yet we did not have any for our own manufacturers to provide these much-needed essentials for homes for the veterans.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I want to depart from the subject under discussion today and to talk about another matter of vital importance to the American people.

I am disturbed at reports that funds for the information program conducted by the State Department's Office of International Information and Cultural Affairs may be eliminated from the State Department's appropriations bill for the fiscal year beginning July 1. Such action, I believe, would be a false and dangerous economy, plainly against the public interest. Elimination of the Department's international information activities would, I feel, deal a tremendous blow to American prestige abroad, at a time when it is vitally important that the American story be told overseas, and that an even greater effort be made to combat the misrepresentations of the United States which are so prevalent abroad. Withdrawal of the United States from this field will create, in many areas, a vacuum, which will inevitably be filled by some other country, not necessarily interested in telling the truth about this country, or in giving the facts about the United States and its foreign policies.

Created a year ago last January in a drastically reduced merger of OWI and the Office of Coordinator of Inter-American Affairs, the OIC has a staff of approximately 3,000 in the United States, and in the more than 60 countries in which the United States maintains diplomatic missions. Each week it broadcasts approximately 400 hours of news, music and feature programs to Latin America, Europe and the Far East. These programs are carried in 25 languages, including Russian, which has recently been added. It is planned soon to add also Greek and Turkish to the list. These radio operations account for approximately half of the OIC's budget.

The OIC also maintains more than 60 information libraries in 41 countries. Its documentary films produced by the Government, and by such American interests as the United States Steel Corp., the National Tuberculosis Association and the Westinghouse Electric Co., are shown each year to upward of 100,000,000 people abroad. The OIC also sends in Morse code a daily news bulletin to our embassies and legations, some of which is made available to local news services, editors and other interested persons at the point of reception. It also assists in the international exchange of teachers and students. All these, and other similar activities are carried on pursuant to the Presidential directive "to see to it that other peoples receive a full and fair picture of American life and of the aims and policies of the United States Government."

Why is it so vitally important that this full and fair picture of American life be presented to foreign peoples? It is important because misrepresentations of the United States and its policies are widely prevalent abroad. A good example of this is the current misrepresentation and distortion to the Greek and Turkish peoples by the Moscow radio of the purposes of our proposed aid to these countries, and the policies of the United States Government. Since the announcement of the aid program by the President, the propagandists of Moscow and its satellites have spared no effort to misinform the world about the United States policy. The Moscow radio has charged that this country has embarked upon an imperialistic expansion program. Members of Congress who have taken the lead in explaining the aid program have been the targets of Moscow propagandists, in what appears to be a carefully planned policy of impugning the motives of a friendly foreign government.

In many parts of the world, particularly areas lying behind the so-called iron curtain, and in those in which the press is controlled by the government, or in which few people understand English, or can afford to buy American periodicals, private American agencies are unable to operate, or can only do an inadequate job. Through its information service, the Government must continue to do much of the job of presenting the facts about the United States. For this reason, the OIC is an essential instrument of our foreign policy. As Secretary Marshall said in a press conference on February 7:

It seems to me absolutely essential that from somewhere—in this case the United States—we endeavor to cover the earth with the truth, pure truth without any twist or turn or implication in the midst of this riot of propaganda. We should have an establishment—to act steadily and to our credit before the world for making a purely accurate statement of the facts as nearly as can be determined with no leaning to the one side or another.

Last year, as a member of a House Military Affairs subcommittee, I visited the Pacific Far East on a tour of inspection. I saw at first hand there evidence of the extent to which Soviet Russia is moving in that area ideologically. Soviet propagandists are numerous, and their activities cover a wide field. They spare no effort and their funds appear limitless. To meet this propaganda, we need to make a more aggressive effort to sell Americanism, and the OIC is an effective instrument for doing this job.

At this point I would like to insert some excerpts from a recent article by Ernest Lindley, the well-known columnist, in the Foreign Service Journal, Propaganda—Neglected Arm of Policy:

We have an attractive line of goods to advertise—our way of life, including our standard of living, and the kind of world we favor. Our declared objectives seem to be in tune with the aspirations of most of the people of the world. One might say, therefore, that at the top level of planning our propaganda has been sound, and that on the whole it has been well expressed in our major official utterances and actions. Even at this level, however, we have tended to neglect and waste some of our assets; for example, the anti-imperialistic reputation which made so many of the colonial peoples look to us with confidence. Reduction in armaments might also be cited as a problem in which, through lack of alertness or of foresight, we permitted the Russians to score some strokes of propaganda at our expense.

In the main, however, our weaknesses in the realm of propaganda are in the follow-up, in seeing that the facts about our way of life and our purposes get down to the grass roots and sidewalks of the world, in countering the propaganda directed against us. To do this requires machinery and money—not much compared to our Military Establishment—but more than we are using now.

Our propaganda should be based on the truth, as we honestly see it. By being scrupulously truthful we can best exploit the serious potential weakness in so much of the propaganda directed against us. Truthful propaganda, moreover, is the only kind of open propaganda which a democratic government, exposed constantly to examination and criticism at home, can use effectively. Finally, and most important, it will, in the long run, help to build up confidence in us.

American publications and other private agencies can help, but they cannot do the whole job. A big part of it must be done by machinery operated or organized by the Government. The overseas information program of the Department of State seems to me to be a good start. But its resources will need to be expanded and elaborated.

We have tended to underrate propaganda. We need to give it much more thought and attention than we have in the past—both to disseminating our own and to breaking up propaganda attacks on us. We should give the planning and execution of our propaganda policies and much care as we give military policy and international trade and financial policies.

We do not need to take a licking in propagation. But we will unless we realize its potency and exploit it—our kind of propaganda, based on truth—with something approaching the vigor and skill of the

vast propaganda machines being employed against us.

The OIC, I believe, on the whole has done a good job, and this is the judgment of many outside observers who have had an opportunity to survey its operations in the field. Here are a few typical comments:

A small group of 5 Americans and 22 non-American, including messenger boys, comprise the State Department's information service team in Turkey, where it is doing a remarkable job of selling America. (Constantine Brown, in the Washington Evening Star, April 5, 1947.)

For my money, the most effective public servants we have abroad are the men and women who run the United States Information Service. (Edwin A. Lahey, in a despatch to the Chicago Daily News from Oslo, November 22, 1946.)

In Peiping, in Mukden, Singapore, Rangoon, and Saigon I have found that USIS has been quietly but effectively propagandizing the United States as a place where wheat is grown, dams are built, and children are fed milk. The USIS movies are effective. Its news releases are complete and undistorted—when I was in Rangoon USIS issued the complete text of Marshall's statement on China, whereas the agencies offered only a couple of paragraphs. Best of all, I think, are the USIS reading rooms, often the only libraries available to the public of a given country. The eagerness with which the brown and yellow men devour American books and magazines is impressive. (Robert Sherrod, foreign correspondent for Time magazine, in a letter to Henry R. Luce, February 12, 1947.)

We Americans who lived in Paris before the war welcome this little American library on French soil. No longer need we bear the brunt of disseminating the true facts about America answering, often not wisely or well, their strange and laughable questions. (Valma Clark, from Paris in the Kansas City Star, December 9, 1946.)

Whether it's a load of 60-millimeter film which OIC men are lugging by oxcart and raft to the interior, or whether it is a load of water-purifying equipment which institute doctors are taking to a town in the Amazon valley, these men are making the idea of America stick in the minds of the people. (Frederick Oechsner, Scripps-Howard staff writer, from Rio de Janerio, Washington Daily News, December 6, 1946.)

Through tens of thousands of agencies people in every country are told every day that we are undemocratic, militaristic, reactionary, culturally backward people intent upon an imperialistic adventure. Without any contact or evidence to the contrary or means of knowing anything about what we are doing or thinking or saying, good people everywhere are likely to accept this libel. By daily broadcasts in many languages—by libraries and information centers and use of all modern means of communication and interchange of information and trained personnel, the department is simply spreading the truth. And truth is the very cornerstone of any human understanding of international harmony. (Ralph W. Page, in the Philadelphia Bulletin, March 28, 1947.)

The education of Asia to the values of democracy as opposed to the regimentation of communism is not so large an order as it appears at the first look. At the moment we are only picking at it through the Christian colleges in China, a few exchange scholarships, commercial distribution of a few thousand American books, newspapers, and periodicals, and through the United States Information Service of our State Department, which furnishes news to the papers of Asia and maintains reading libraries in the capitals where we have embassies, legations, or consulates. Expansion of the latter activity and of scholarships would seem to be the quickest and easiest way to reach the largest number. * * * There is no iron curtain between the United States and most of Asia, only the barrier of distance and the lack of funds to buy American newspapers, books, and periodicals or to send students to the United States for study. For the richest country in the world, that should not be an insurmountable barrier to a billion potential friends. (Foster Hailey, editorial writer for the New York Times, reporting on his Far Eastern trip in the New York Times Magazine, April 13, 1947.)

Recently, in an effort to present the American story to the Russian people, the OIC, through the Voice of America, initiated a daily Russian-language broadcast. Reports from Moscow indicate that these broadcasts are getting through and are being listened to.

According to Drew Middleton, in a dispatch to the New York Times on March 27, the Voice of America program to Russia "is winning an increasing number of listeners not only in Moscow but also in the Ukraine, White Russia, and several provincial cities of the Russian federation."

Said the Middleton article further:

Generally the programs are attracting more and more listeners, they are getting publicity by word of mouth, and they are contributing to an understanding of the United States here. If they can increase this understanding then they will help to solve a number of the problems in our relations with the Soviet Union from the Russian side.

A committee of the American Society of Newspaper Editors, after a study of OIC operations a few weeks ago, concluded that the Russian broadcasts are serving an important purpose. The members of this committee were George Cornish, managing editor, New York Herald Tribune; Ben M. McKelway, editor, Washington Star; and Hamilton Owens, editor, Baltimore Sun. Said the committee in its report:

The work of the OIC in general and the Russian broadcasts particularly are still in the experimental stage. Considering that the assignment given covers the whole world, the expenditure of the Office is modest. There may be waste in some respects, and further experience may suggest that some aspects of the undertaking are ill-advised. That will be a matter for departmental or congressional determination. We are convinced, however, that the Russian broadcasts as at present conducted are serving an important purpose. We believe the State Department would be justified in asking for the funds necessary to provide a clearer signal reaching farther into Russia and less subject to the natural interferences which are now so frequent.

Last summer the House Committee on Foreign Affairs reported a bill authorizing a foreign information service for the State Department, but Congress adjourned before action on this legislation could be completed. The State Department some time ago sent to Congress the draft of a similar bill as part of its list of urgent legislation. It is my hope that hearings on this can soon be held and that it will receive early and favorable action. It is essential that Congress assure a continuation of the Department's information activities and that the program be given adequate financial support by the Congress.

As the New York Herald Tribune pointed out in a recent editorial, our whole foreign policy is now committed to a course which renders essential a sound information policy. It would be a false economy that would wreck a basic policy for which nearly everyone recognizes the need and so deprive the American people of an instrument which is increasingly important to the peaceful fulfillment of their postwar aims.

Secretary Marshall needs a vigorous information program in carrying out the objectives of our foreign policy. This program must be regarded as an integral part of our national defense, and if it is eliminated we may well emerge the losers in the war of ideas, a loss that might prove as disastrous to us as actual defeat on the battlefield.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, there are some parts of this bill with which I am in full accord. I approve of that portion of the bill which provides for the decontrol of materials so that houses can be built for veterans and other people. I am in full accord with that part of the bill which provides for the voluntary agreement between property owner and tenant for a lease, although I do not think the ceiling fixed is high enough at 15 percent. I approve of those portions of the bill which make conditions between property owners and tenants voluntary. I am unalterably opposed to that portion of the bill which provides for a continuation of rent control without in any way providing relief to the eight or ten million property owners of this country, most of them small property owners.

Rent control undoubtedly served a useful purpose during the war. In a few days we will be in the third year after the war, and still arbitrary rent control remains to plague, irritate, and take away without any chance of recovery the income of a segment of our population, the property owners, a vast majority of them small owners, the most substantial in the Nation.

What have they done that they should receive this kind of treatment on the part of the American Congress? Nothing except in their productive years to work and save and sacrifice and then build a house or two to provide some return, an income in their declining years. They are the self-reliant people who prefer to remain free and independent and have something to remain independent on in their old age, and not become the wards of their Government.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Mississippi.

Mr. RANKIN. They paid taxes on that property all those years, to maintain the States, the counties, the municipalities, and the school systems.

Mr. DONDERO. The gentleman from Mississippi is right about that. I am coming to that in a moment.

I do not think there is any dispute on the part of any Member of this House, no matter on which side of the aisle he sits,

that the cost of maintenance of property since rent control went into effect has increased somewhere between 70 and 80 percent. We placed a ceiling on rent, but we did not place any ceiling on the tax collector. No ceiling was placed upon the decorator, no ceiling was placed upon the coal man, no ceiling was placed upon the plumber, no ceiling was placed upon the light bill, the gas bill, no ceiling was placed on the water bill, no ceiling was placed on the carpenter, and no ceiling was placed upon the janitor, or the manager of the building, yet the owner of the property must sit idly by and see the savings of his earlier years vanish through an arbitrary rent control that does not recognize the right of the individual property owner of this country. Why should they be asked to subsidize an increase in living costs and the tenants make no contribution to it?

I say that it is a travesty on justice that eight or ten million of our people should receive that kind of treatment at the hands of the American Congress.

I do not know what the experience has been in your part of the country with the administration of rent control, but I do know something about it in my area of the country, in Detroit, Mich., and its metropolitan area Any home owner or property owner who sought relief had two strikes on him before he even entered the building. His complaint was laid aside to wait weeks and months before it was ever given consideration. But if a tenant went in to complain about even something, that person received immediate attention—indicating of course that the rent-control administration in my area of the country was biased and prejudiced against the property owner. The people in my area became so discouraged, if I am to judge from the communications they sent me, that they no longer made an appeal for relief and simply suffered in silence and saw their income taken away unjustly. This bill intends to continue that thing at least for another 8 months without any relief whatever to these people.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. As a member of the committee, I made the statement that I found in discussing with other Members of Congress and during the hearings that most of the Members found in their districts a great deal of the same arbitrary action on the part of the administration of this law.

Mr. DONDERO. It shows that treatment was quite general throughout the United States.

Unless this inequity is corrected I intend to vote against the bill. There will be no houses or other rental units offered for rent as long as the Government controls rent. Rent control has contributed to the housing shortage, because control has discouraged home ownership and the building of homes.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I do not think I need to impress upon the members of this House the importance of this legislation to my district. Just about 99—and as many 9's as anyone would like to add—percent of the people of my district rent apartments, and any increase in rents will hit them extremely hard and right between the eyes. The average income of the people of my district is about $2,500 to $3,000 per year. So, in considering this bill, perhaps I can see even a little better than some of my colleagues who represent farming communities and who might not feel so keenly the effect of legislation such as we are considering, the Hobson's choice we have in this bill. Because that is exactly what it is—Hobson's choice.

Mr. SMITH of Ohio. What is the average rental paid in your community?

Mr. JAVITS. The average rental paid in my community would vary between $45 and $60 a month.

In view of the enormously enhanced cost of living which the people of my district in common with the other citizens of the middle class are experiencing now, the margin for any more payment of rental is nil. Living costs have gone up some 60 percent over prewar prices, and rent control is the one thing keeping ends together as far as my people are concerned.

Mr. SMITH of Ohio. The average income, you say, is $3,500?

Mr. JAVITS. No; I said $2,500 to $3,000. If the gentleman will figure out the average city family's budget, he will see exactly what I mean—there is no margin for rent increases. That is the hard fact.

The main point in this whole bill is that it does, in substance, continue the rent-control situation on presently occupied rental housing as is. That situation must be continued—there can be no question about that. With all the discussion that has taken place on the floor about how there can be more housing, the answer is that there is no more housing now and no matter what you do, there can be little more housing until the time when the controls under this bill will have expired. It cannot take less than from 9 months to a year, and will probably take much longer, for anything to manifest itself so far as an improvement in the housing situation is concerned. We have to take care of the people in the more than 16,000,000 rental units which we now have occupied, and must act upon the facts as they are now, not as they will be in the future.

I feel very badly and I think every veteran feels very badly about what I call the American tragedy of housing. The tragedy is that of every veteran living in substandard housing or doubled up with relatives, who can walk down Fifth Avenue and see that a New York department store has put up a new magnificent building, and yet be told that it is impossible to construct an ordinary home for ordinary fellows who fought the war.

One of the great defects of this bill is that it fails to tighten up on that situation. If this whole title I were stricken out of the bill it would be a much better bill. Nevertheless, I would like to point out in fairness to the committee that at least they have done one thing, if nothing else, and that is they have continued to face realistically the rental situation by holding on to the control, a relaxation of which to an enormous proportion of the families of American would mean the difference between economic life and death.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. KUNKEL. Under existing law, as it has been for some time past, we have had the most drastic Government controls over all of this commercial housing, but despite that you still have all these race tracks and commercial buildings going up. It certainly is not the fault of the committee which brought in the legislation in the preceding session that that condition has existed.

Mr. JAVITS. May I point out to the gentleman that all the ills of which he speaks will only be increased if this very vital question of commercial construction is left out of this bill, as is now proposed. It is not an answer to say that there are ills. We know that. It is an answer to say that the ills will not be increased by this legislation.

Mr. KUNKEL. I do not think that is an answer.

Mr. JAVITS. We talk a good deal about prices coming down. We feel we are headed for a deep depression because of the bad adjustment as between prices and wages. How can we therefore consider anything which will materially increase the biggest single item of the budget of so many American families. Rent constitutes 20 percent of the budget of the average family living in rented accommodations. How can we seriously stand here and talk about any across-the-board increase in the rents of the country? What we have been preaching is that cost of living prices must come down and this is the place to keep them down.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I warned some weeks ago that we might have brought before us in this House a rent-control bill which would in no way control rents. I think the gentleman from Pennsylvania has described this bill sufficiently clearly to make it plain that if this bill goes through without amendments, and as it is now written, it will be utterly impossible to hold rents in line in this country.

If the bill goes through as it now is, we can expect the same situation so far as rents are concerned, as we had on meat. The lack of any adequate enforcement machinery combined with the decontrols legalized in this bill could mean that about January 1 we can expect such a great number of inequities to exist throughout the country, that there would be an uprising from the people all over the country asking to do away altogether with a rent-control program which is no rent-control program at all.

The result will be that rents will jump not the 15 percent talked about in this bill, but anywhere from 15 to 150 percent. No one can tell where the final ceiling will be.

There is meat on the market today but at what price?

There may be housing tomorrow, but at what price? The evictions of hundreds of thousands of people.

Either we need a rent-control program, or we do not. Passing a bill with the name "rent control" pinned to it is not going to help anybody.

There seems to be those in Congress who are not worried because the cost of living has risen. There seem to be those who do not hestitate now to increase the rent of 16,000,000 American families living in rented units. The welfare of 50 to 60 million people apparently seems to be a matter of little concern to some Members of this House. Some apparently are not afraid of already bursting family budgets. They are willing to take the top off.

The hypocrisy of this bill is sickening.

You cannot have rent control unless you can enforce rent control. The bill forces the renter to go to the courts for adjustment of violations in rentals.

Those of you who live in city districts know the tremendous pressure on the housing market in those districts, where people are living, not just doubled up, but in cellars, in garages, in cars, in tents, in the back of lots. To remove rent controls in the face of such a drastic housing shortage is to invite trouble—to invite evictions.

Families will not be able to carry their cases to court in time to prevent evictions. They do not know the economic facts that they should have when they do come to court. The landlord associations will have the facts for the landlords. You can be sure of that. The courts do not have investigators. Cases will be settled on the basis of one-sided facts. Cases will not be brought in many, many instances because renters will not have the money to bring them to court. Or if they are brought, months will elapse before they are heard for there will be rent increases from one end of the country to the other. Where does Congress suggest the evicted families go. If we do not have a rent control system with powers of enforcement, we do not have rent control.

I am going to move to strike out title II and to replace a simple continuation of the Emergency Price Control Act of 1942.

Why do we need rent control today? We need it today because the same elements that made rent control necessary a year ago still exist. The same problems that existed a year ago are with us today, only added to our housing problems we have the increased cost of living to reckon with.

The Bureau of Census figures for January 1947, showed that 2,200,000 city families—not farm—did not have houses or apartments of their own.

They were living with others. In addition to that 300,000 families were living in rented rooms, hotels, or trailers, garages, cellars, or wherever they could find a place. The Bureau of the Census survey made last summer and fall in 70 cities on veterans' housing conditions shows that in the majority of those cities between 25 to 45 percent of the married veterans had no homes of their own and were living in rented rooms, hotels, and trailers.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentlewoman from California three additional minutes.

Mrs. DOUGLAS. We have heard a lot of talk on this floor, we have heard a lot of talk in the country, about the veterans, but there is very little consideration of the veteran here today. No wonder five veterans' organizations are against this bill.

The veterans were away on official business by the will of the American people when the housing that we have filled up in this country. Now they have returned and want a home of their own and we not only wreck our rent-control program but we wreck what is left of the miserable, pitiful, little veterans' housing program. In all decency we have to think of these veterans who have come home, who want to start their own families. They went from home and fought a war so that our families could be protected. Today they are living in trailers, garages, cellars, or living doubled up with their families, living under such pressure and such crowded conditions that their marriages are going on the rocks.

The question before this Congress is the same today as it was a year ago. In a housing market where there are not enough houses to go around, does the Government help the veteran? Are we prepared to say to him, "You went off and fought a war for us, thanks; glad you have come back"? The housing is all filled up, there is not any place for you, sorry; we feel sorry but we have got to get back to normal conditions.

The housing conditions in this Nation are not normal, my colleagues. That is a fact that no amount of arguing on this floor will change; housing conditions are not normal.

They may be normal in some of your rural districts but they are not normal in any city district in this country, and until they are normal, until we do provide homes for the American people by setting up a program that will permit the building of houses within a price range that the great mass of American people who need homes can afford to buy or rent, we are not fulfilling the obligations of this Congress.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, there is an old adage that says that history repeats itself. Today on the House floor we are seeing history repeat itself in regard to the wrecking of rent controls, for there is happening now that which happened last year in the wrecking of the Price Control Act. We were promised great things when the Price Control Act was wrecked. We were told that increased production would occur, that increased distribution would occur, and prices would go down. Prices have not gone down and it has been about 9 months since price control was wrecked. We are told in the case of rent control that if we just ease up on rent control we are going to have a lot of houses and all that sort of thing. My prediction is you are not going to have any more success with your program of wrecking rent control, than you did in wrecking price control.

We have heard today on this floor about a lot of empty houses. As far as I know, there is not one in my district. May I say, and I hope this is carried as a headline in every paper in my district, if there are any apartment house owners or house owners in my district who would not take the OPA price ceiling for his apartment or house from a veteran who has returned from the war, I would like to see that man rise before some veterans' organization and explain why he keeps his house or apartment empty. If he was losing money at $40 a month, then he is losing more money by zero dollars per month and I say that he is not necessarily a patriotic American citizen exercising his rights. I should say he is a contemptible coward for not making a home for some veteran who was over there fighting so that he could maintain the title to that piece of property. I will let that statement stand.

In your phony concern for the little landlord you have wept crocodile tears. Why not offer an amendment, and I will support it, giving the landlord with two or three or four houses a justifiable increase? Why do you not bring an honest bill to this floor if you are so concerned with the little landlord? We know that the rents as a whole should be raised some. We know there is a justifiable case for some rent increases, but why do you not bring an honest bill in here which will allow an over-all national increase up to a justifiable percentage, then put enforcement provisions in the bill that will make that much of a raise allowable and no more of a raise? You bring in a phoney bill, a fraud, a hypocritical piece of legislative hokum. You wreck the building materials control, so far as the veterans are concerned, which was designed to accelerate the production of other scarce building items, and you tie that up with rent control, something that it should not be tied to. You have to swallow a bitter pill to get some sweet. I think we ought to have some courage; you ought to bring out a real rent control bill. If a case can be made, and I think it can be made for a reasonable increase, then let us vote it up or down honestly.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The gentleman is making a fine contribution to this discussion and I want to congratulate him. Of course, if this bill is as outlined in the gentleman's remarks I think we better not have any bill at all.

Mr. HOLIFIELD. The gentleman is right. I think we ought to be honest with the American people.

Mr. BROWN of Georgia. Yes. We ought to be honest with them.

Mr. HOLIFIELD. I am agreeable to giving a justifiable increase. I am willing to leave it up to regional boards, if necessary, as to how much it should be

in a particular area. But this phoney lease arrangement whereby a lease can be signed and the person moves out, then from that time on there is no provision for control, along with a lot of other phoney provisions I would like to talk about, makes it no bill at all.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. The gentleman knows that under the present rent-control law the Administrator can make an adjustment if he sees fit. The trouble is they never do it.

Mr. HOLIFIELD. I agree with the gentleman, there are many inequitable cases which have arisen under the present rent-control law, but I think we should cure them rather than to offer a piece of legislation whereby the inequities will be multiplied a millionfold.

Mr. KUNKEL. The gentleman is asking for what is in the present law, but it has never been done.

Mr. HOLIFIELD. Let us make an attempt to do it instead of destroying the means of having any type of control.

Mr. KUNKEL. They have been attempting to do it for years and years and years and they have never done it.

Mr. HOLIFIELD. The gentleman talks about individual cases. I know there have been some inequities, but there has also been a great saving to the mass of American renters, those who were working in war plants, under the present price-control law.

Mr. KUNKEL. I would like to know whether the gentleman's object is to save money for the renters or to get a just law?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman. I yield 5 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Chairman and Members of the Committee. We have witnessed here on the floor this afternoon one of the strangest debates that I have ever listened to. Except for the chairman of our committee—and I have the very highest regard and respect and admiration for him—there has not been a single Member who has stood here in the well of this House who has not apologized for this atrocious bill which is now before the House of Representatives. Why, Mr. Chairman? Because the members of our committee have not been forthright in the consideration of this legislation. We have attempted to bring out here an omnibus bill which does not face the issue on housing, which does not face the issue on rent control, which does not face the issue on the great problem facing millions of our veterans today.

The net result of it is that the men who do not want rent control are opposed to this bill; the Members who want rent control are opposed to this bill; the people of this House who are justifiably concerned about the pitiful plight of our veterans are opposed to this bill, and the people who do not care about their plight are opposed to this bill. Why? Because we have done a terrible job of draftsmanship, and we have attempted to bring here to the floor of this Congress a bill that every one would have to vote for for some reason or another. Now, I represent a congressional district where it would be the worst type of injustice to thousands of Americans to remove rent control completely. I represent a congressional district like so many of you do where there are countless thousands of veterans looking for places to live and, as the gentlewoman from California has said, who are now living in trailers and in tents and in cellars. Yet, we bring here today a bill which, No. 1, removes what little help we were giving the veterans in the housing program.

It does not matter how long we debate this issue. Any man who honestly considers this bill cannot help but reach the conclusion that if this bill is enacted in its present form then the veterans housing program can be completely forgotten about. Then there is this sop in the bill, this business about you must get a permit to build a race track or a permit to build a honky tonk. Was there ever presented to this body a more pitiful compromise regarding the men who fought the battles for our country for 4 long years, and who demand a place to live in the land which we all love? Yes, I sat during the committee hearings and I followed this bill, and I probably will vote for the bill because I am in the position that so many others are in. We must continue some form of rent control, but this bill, as someone has said, is a travesty upon justice, and I think the American people ought to know about it.

Let us talk a minute about the rent-control section in the bill. I voted in the committee for a 10-percent increase across the board, and I am going to vote here today for a 10-percent-across-the-board increase in rent. And why did I do that? Because the way the bill is now drafted we completely open up ceilings on new construction. We completely eliminate ceilings of the person who has not been patriotic enough to rent his home during the war. Now we say that he can rent it for any amount that he pleases. So the net result is that here is the little man who has patriotically abided by the regulations of his country, who has attempted to live within the law, and he must rent his property under a control ceiling and his neighbor on both sides—well, the sky is the limit.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. SPENCE. Mr. Chairman, I yield three additional minutes to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I ask the members of this Committee, in all fairness, in all honor, in all decency, is this a fair bill? Is this an honest approach to the problems now facing the little man who has invested funds in real estate and in property in this country?

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield to the gentleman from Virginia.

Mr. HARDY. In connection with this across-the-board increase that has been discussed a little, there have been a good many rental properties constructed since the freeze date. On those properties rentals were fixed by agencies other than the OPA. They were based on current construction costs and on an entirely different basis from the basis under which the rents were fixed that were frozen on April 1, 1941. Would it not promote a perpetuation of inequity to permit an increase on those properties, and, if an across-the-board increase is granted, could it not be restricted so as not to include those properties where rents were fixed by agencies other than the OPA?

Mr. BOGGS of Louisiana. I would think so, but I have not studied the subject.

The members of the Committee will be very much interested in knowing some of the things that happened on this bill. On March 16, I believe it was, our committee voted for an across-the-board increase in rents. We were told then that on April 16 the committee would meet again to report out the bill. One week went by, two weeks went by, three weeks went by, and all kinds of huddles were held by my very good and esteemed friends on the other side. Finally, the committee met. The so-called across-the-board amendment was rejected and in its place, again to bring out a bill that everyone was supposed to be for and no one was supposed to be against, was substituted the amendment of my good friend the gentleman from California [Mr. FLETCHER] which, in effect, as a distinguished minority member of the committee has pointed out, will result in a 15-percent-across-the-board increase. So that this bill is an obvious attempt on the part of the majority of this House to play both sides of the street, to be for rent control and be against rent control, to be for the veterans' housing program and to be against the veterans' housing program.

I wish that it were possible to send this bill back to the committee and make the committee come out with an honest, straightforward bill.

Mr. RANKIN. Will the gentleman offer a motion to recommit the bill?

Mr. BOGGS of Louisiana. A motion to recommit will be offered.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON of California. Mr. Chairman, this will probably be one of the most unpolitic speeches I have made since I have been a Member of the House, because I, in common with a great many others here, come from a district in which there are thousands of rental properties.

Much has been said about the veterans of the last war, the men who were out fighting and dying for certain principles. Let me say that the continuance of Governmental controls over the destinies and properties of free Americans was not one of the principles for which I fought.

The basic issue before the House today, as I see it, is not only a question of continued rent control but is also a question as to whether or not the legal possession of property carries with it not only obligations but a few long-forgotten priv-

ileges and prerogatives as well. If we are going to play into the hands of collectivist government here at home while we strive to stem communism, statism, and collectivism abroad, then we are certainly working both ends against the middle.

For the first time, and I am sorry to say it, I cannot wholeheartedly support a measure brought forth by the leadership. I want to see the bill amended because I think we are temporizing with legitimate freedom of action under law. I am further convinced that we are temporizing with principle, and the basic principle at stake as I have said, is whether a man's wife, a man's home, a man's automobile, or a man's shirt, is his to have and to hold, or whether they belong to the State. That to my mind is the only question involved in the debate here today.

I am a veteran. Do not lay the housing shortage or all the multitude of the veterans' troubles solely at the door of rent control. Lay them instead at the door of Federal agencies which have permitted the construction of warehouses, cocktail bars, bowling alleys, and every other type of nonvital construction. We can get veterans' construction started in quantity, and no one in this House wants veterans under their own roofs any more than I do. I think the greatest thing this country can do, the greatest achievement it can make in applied democracy, would be to put every veteran under his own roof in his own home. But you are not going to do it by rent control or by completely haphazard assignment of priorities. You are going to keep them out of more homes and apartments than you will ever succeed in locating or building for them under a system of restrictive controls.

It is my considered opinion that unless Government controls are removed as a restriction against private ownership and construction of homes, we are taking the shortest and most direct route to complete all-out collectivism, statism, socialism, and eventually communism.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. RANKIN. Does not the gentleman think these controls deter people from building homes?

Mr. JACKSON of California. I do not think there is any doubt in what the gentleman says. I have people in my district—people who have saved all their lives to get a few dollars together to build two or three units and who are today under the obligation of disposing of that property because they cannot even pay the upkeep on it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. HOLIFIELD. May I ask the gentleman if he will support an amendment which I intend to offer which will give such relief to the owners of two or three units?

Mr. JACKSON of California. I will tell the gentleman my colleague from California that I will support one thing, and that is the right of the American citizen to own and operate his own property.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield further?

Mr. JACKSON of California. I am very glad to yield further to the gentleman.

Mr. HOLIFIELD. Will the gentleman who has stated he is against controls vote to take away all controls on rent?

Mr. JACKSON of California. Yes; very definitely, and, if necessary, I will sacrifice my political head to a strong conviction that the course of Government control in time of peace is the path of eventual destruction of American freedom.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield.

Mr. KUNKEL. I want to ask you as a veteran if it is not true that by freezing rents you are also freezing occupancy. Therefore, the people who were overseas during the war cannot secure occupancy when they get home.

Mr. JACKSON of California. That is right, and what is more important is the fact that you are freezing freedom, individual initiative, incentive to new construction, and the hearts of men and women who love this land and its institutions.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I gladly yield to the gentleman.

Mr. DONDERO. Do you think anybody in this country is going to build a house for rent as long as the Government controls rent?

Mr. JACKSON of California. If anyone does, I should seriously question not only his judgment but his sanity as well.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I am glad to yield.

Mr. OWENS. Is it not a fact that statistics show that 36 percent more people are occupying houses where there is one person than where there are two people?

Mr. JACKSON of California. I do not think there is any question about it. I know that in my own district there are homes and apartments standing empty today because they cannot profitably be operated under existing circumstances.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, I take this time only for the purpose of trying to get clarified in my own mind one or two things in this bill. For that purpose I ask the attention of the distinguished chairman of the committee.

On Monday of this week, the Rent Administrator, through some mysterious process I wholly fail to understand, or possibly through some mistake, in the last dying days of his agency and on the eve of our consideration of this legislation, decontrolled a large number of defense rental areas throughout 22 States. Among those areas decontrolled were 2 counties in my district, both seashore counties, side by side, with precisely the same problems. One was decontrolled. The other was not decontrolled, with the perfectly natural result that the tenants in 1 county feel that they have been discriminated against, and they have, and the landlords in the other county feel that they have been discriminated against, and they have. The question I have in mind is this: On page 12, subsection (d) of your bill there is a definition of "Defense rental areas." It seems to me to mean that any area which was under rent control on March 1, 1947, is under control upon the passage of this bill, notwithstanding this order of April 27. My question is whether, if this act is passed, that will not, in effect, nullify the action of the Administrator, which was taken only 2 or 3 days ago, and which was arbitrary, ill-timed, discriminatory, and unfair. What does the Chairman think about that?

Mr. WOLCOTT. If the language on page 12 and at the top of page 13 is adopted, it will not change in any respect the authority of the Administrator to decontrol any property which is now under control. The Administrator has always had authority to decontrol an area. He could control, as he has in the case of the gentleman's district, one county, and decontrol another county. An area does not necessarily have to be a county area. This bill continues authority for decontrol of any area, or any housing accommodation within any area.

Mr. HAND. I understand that, but my point is that this bill defines areas which are going to be controlled under this bill, as those which were under control on March 1, 1947. This decontrolled area was under control then.

Mr. WOLCOTT. That language prevents any properties from coming under control which were not under control on March 1, 1947.

Mr. HAND. I am not sure that I agree with the gentleman's view on this. I have one further question. The chairman knows that in seashore or resort areas, seasonal rentals—rentals, we will say between May and October—were not controlled and have not been controlled for the last couple of years. Does this bill in any way change that situation?

Mr. WOLCOTT. If the property was not under control on March 1, 1947, it cannot be put under control by the enactment of this act.

Mr. HAND. I thank the gentleman.

I would like to say briefly that I feel we must extend rent controls for some period, because of the acute shortage in housing in this country. I feel very strongly the strength of the arguments that have been made that landlords have been inequitably treated in many cases. I think the answer is not a flat increase or immediate and complete decontrol, but that we should write into this law definite regulations providing for equitable, fair, and speedy treatment of many owners who have been denied justice.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. RANKIN. If an area is decontrolled, can they then reassume control over it? Suppose an area is decontrolled, such as the gentleman referred to. Can the rent control authority then reassume control over it?

Mr. WOLCOTT. I do not think there is anything that provides that they can put controls back on. I think I should qualify that, however. There seems to be a little doubt about it. If a property was under control on March 1, 1947, and it is decontrolled, there is no language which directly authorizes them to put the controls back on. But I may say to the gentleman that that is not too clear, but inferentially they restore controls.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HAND] has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I for one expect to vote against this bill.

If it is defeated, then rent controls go off the 30th of June. The present rent control is simply grinding into the dust the people who are trying to own property in this country. Many of them are old people who have bought their homes and paid for them and have paid taxes on them for years. Now they are held down to where they cannot realize reasonable returns on their investments.

In addition to that, these controls have prevented the building of homes. Members talk about veterans. If we did not have these controls the veterans in large sections of the country would build their own homes.

When I came into the Chamber a short time ago they were discussing a comparison of rents today as against 1936. I tried to call attention to the fact that prices of all kinds in a free economy are governed by the volume of the Nation's currency and the velocity of its circulation. In 1936, on December 31, we had $6,542,000,000 in circulation. Remember that figure, $6,542,000,000. Ten years later, on December 31, 1946, we did not have $6,542,000,000 in circulation, we had $28,952,000,000 in circulation, or more than four times the amount in circulation in 1939.

Everything else has gone up, but now with this bureaucracy you attempt to hold down the rent that a man may get for his property although everything else has increased in price. As a result that man who is paying the taxes to maintain the community—and do not forget that—is forced to lose money on his investment.

Many of them are war veterans. Do not forget that you are injuring just as many veterans as you are pretending to help by perpetuating the controls, covered by this bill which, the gentleman from California [Mr. HOLIFIELD] says, is a monstrosity.

You are therefore preventing the building of homes. Peoples are afraid to build homes. I live in a country where raw materials are abundant and where the people want homes, but when they find the threat of the Housing Authority, the threat of the Rent Control Authority, or the threat of any bureaucracy hanging over them, it frightens them and has prevented, in my opinion, the building of the homes we need.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. WOLCOTT. I have deep admiration for the gentleman's logic, usually, but I do not quite follow the gentleman on the statement that he made that he is going to vote against this bill and the argument which he makes that the continuance of controls would be a deterrent to the construction of homes.

Mr. RANKIN. I am going to vote against this bill because if this bill is defeated rent controls will stop on the 30th of June.

That is what the American people want. They do not want to be kept in any strait-jackets. They are tired of strait-jackets. The fact of the business is I would have voted 2 years ago, and I will vote tomorrow, to declare the war at an end and put an end to all control and let us get back to the American way of life; so we can make our own living, build our own houses, operate our own property, and let the man who pays the taxes, whose son, or who himself, went to this war and came back to his property that he has owned for years and struggled to pay for, let him continue to enjoy the American way of doing things.

These rent controls ought to have been discontinued long ago. I am going to vote against this bill because I think rent control should be discontinued entirely. If you want rent control, let your State handle it, but let us get the Federal Government out of the business.

I know of one instance where an old person lived in a room or set of rooms. The landlord let her stay on at a meager rental of $10 a month. Finally she passed away. Another party offered $35 a month for that property, but the rent control board stepped in and said: "No, you must go on and rent it for what you have been getting."

No; let us defeat this bill and get back to the American way of life.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman——

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield.

Mr. BROWN of Georgia. I wish to ask the chairman of the committee, the gentleman from Michigan [Mr. WOLCOTT], one question. Do I understand the gentleman to take the position that a single unit in a rental area can, under this bill, be decontrolled by the Administrator?

Mr. WOLCOTT. Yes.

Mr. BROWN of Georgia. Show me that in the bill.

Mr. WOLCOTT. Subsection (c), page 14.

Mr. BROWN of Georgia. Read it.

Mr. WOLCOTT. That provides:

> The head of the department or agency designated pursuant to subsection (a) is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect.

Mr. BROWN of Georgia. That is the rental area. You cannot pick out one unit.

Mr. WOLCOTT. "Any or all maximum rents" in any rental area.

Mr. BROWN of Georgia. I know, but that is not a single unit.

Mr. WOLCOTT. What is it?

Mr. BROWN of Georgia. You have not changed the law at all.

Mr. WOLCOTT. If it does not mean a single unit it cannot mean all. "All" means all and "any" means any. What does it mean?

Mr. BROWN of Georgia. I do not think the gentleman's interpretation is correct.

Mr. KENNEDY. Mr. Chairman, I was very much interested in the speeches of the gentleman from California [Mr. JACKSON] and the gentleman from Mississippi [Mr. RANKIN]. Since I have been a Member of the House I have heard the gentleman from Mississippi [Mr. RANKIN], many times speak about the work of the TVA and various other Federal projects that have aided lowering electrical rates. It seems that if the Government takes a part in lowering electrical rates it is doing a wonderful thing, but if it takes part in providing houses for veterans, it is totalitarian and must be stopped.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman ought to know that the power business is a public business and the owning of homes and houses is a private business, just the difference between public and private enterprise.

Mr. KENNEDY. The gentleman from California [Mr. JACKSON] has stated that the housing shortage is due primarily to the bureaucrats, but he should know very well that the only time that private enterprise alone anywhere near met the demand for houses was in 1925 when we built about 836,000 units. Between 1930 and 1940, however, we built only approximately 253,000 units annually, which resulted in an annual shortage of about 600,000 or 700,000 housing units. The result was that at the end of the 30's about 17,000,000 families were living in houses for which they paid rent of between $10 and $30 a month. Many of these houses were substandard. During the 6 years of the war, homes were not built for private families so that when the war ended there was a great housing shortage, which was not under any stretch of the imagination, caused by bureaucrats or Government control.

Mr. Chairman, this means, in my opinion, that the Government must take a stand in helping alleviate the housing shortage. The bill that the gentleman from Michigan [Mr. WOLCOTT] proposes, with all good intentions, does not approach solving the housing demand. The housing shortage will not be solved by lifting rent control off of new construction. This will merely mean that houses will be constructed so that the average veteran cannot buy them.

If we are going to solve the housing shortage we must institute a long-range housing program, provided under the Wagner-Ellender-Taft bill. The gentleman from Michigan [Mr. WOLCOTT], has excused himself from offering that bill

to the House by saying that the committee has not time, that it must spend 5 or 6 weeks in studying the RFC and other related projects.

It seems to me there is no subject as important as the housing shortage and that this House ought to take action immediately, and that the committee ought to report out a bill that will really do something toward solving this problem. If you think that the problem has gotten any better in the last 6 months so far as building new houses is concerned and since a great many Government controls have been lifted, take a look at these figures: In June, 1946, a typical month of so-called Government control there were 63.6 thousand starts; there were 34.9 thousand completions. In March of this year with many of the controls lifted there were only 49.8 thousand starts while there were 57.1 thousand completions. This means that the trend is downward on starts. If you do not get a house started you are not going to get a house completed. A rate of a million units a year has been been achieved in 1946, so by March 1947 we should have been going at an unprecedented rate, yet the fact is that we reached only 49.8 thousand starts in March 1947 and we will be lucky to get a half-million starts for the entire year.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KENNEDY. Mr. Chairman, I am opposed to this bill in its present form. I think if we in this country go back in 1948 to the veterans, and to the rest of the people, and say that all we did in this House to alleviate the housing shortage was to pass this bill, we are going to have a lot on our conscience.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I take the floor at this time simply to call the attention of the committee to an article which appeared in the New York Times in connection with the proposed 15-percent rent increase. The item stated:

> The 15-percent rise has received the support of the National Home and Property Owners Foundation, which stated in its publication: "By plugging for a 15-percent increase in rent ceilings we might be able to kill off rent control entirely."

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I concur in the minority views as expressed by the gentleman from Oklahoma [Mr. MONRONEY], the gentleman from Louisiana [Mr. BOGGS], the gentleman from Alabama [Mr. RAINS], and the gentleman from New York [Mr. O'TOOLE], which appear on pages 36 and 37 of the committee's report on H. R. 3203. The only reason I did not sign the minority report was that I was away from the city at that time on official business and was not available to sign it. But I concur in those views.

Mr. Chairman, I will ask unanimous consent when we get back in the House to insert the report in the RECORD at this point.

I expect to make a motion to recommit this bill to the Committee on Banking and Currency.

The minority report referred to is as follows:

MINORITY VIEWS

Repeal of most of the provisions of the Patman Veterans' Emergency Housing Act, designed to help the veterans secure housing, is effected by title I of H. R. 3203.

Despite the fact that almost all the national veterans' groups were unanimous in demanding the continuance of minimum controls by the Federal Government to help in the veterans' housing crisis, this bill removes virtually all governmental power, priorities, or allocations to do anything about it.

These few necessary controls, still being exercised to channel scarce items into veterans' housing, instead of into unnecessary commercial construction, are virtually swept away under the provisions of title I.

On these salient features of continuing need for Government action, most of the national veterans' organizations agreed:

1. Continued limitations on unnecessary commercial construction.
2. Continued limitation against construction of houses for purely seasonal use.
3. Continued limitation of housing to 1,500 square feet floor space.
4. Continued allocation of scarce raw material, such as pig iron, for residential construction use.
5. Continued assistance to building material producers to secure repair parts, machinery, and supplies.
6. Limitation of new houses to one completed bathroom.
7. Genuine veterans' preference on purchase of new homes.

H. R. 3203 effectively eliminates any Government help or control over these seven points in the programs of these veterans' organizations.

With a commercial backlog of construction waiting to be built, totaling many billions of dollars, this bill will open the floodgates for this gigantic construction program to compete with the small veterans' homes in a market still plagued by material shortages and skyrocketing costs of labor and materials.

This competition with big construction, turned loose without restraint by this bill, would sound the death knell of even a minimum number of new houses, vitally necessary to eliminate acute suffering in hundreds of communities.

In addition to further raising the already high construction cost of homes, this gigantic commercial construction program would create shortages in skilled labor, and sap many of the same materials now vitally needed for housing construction.

Even with the present careful screening by local boards under the nonresidential construction order VHP–1, new nonresidential construction is now running at a rate of more than $57,000,000 a week, and for the year totaled more than $3,000,000,000. Many moderate-sized communities report that their backlog of unnecessary construction, now not being approved, exceeds $60,000,000.

The claim is made repeatedly by the proponents of repeal of even the minimum controls of the Emergency Veterans' Housing Act still being exercised that it is these controls which are holding back the adequate construction of houses. Dozens of articles recently in the press indicate just the contrary by quoting dozens of localities where rising construction costs and shortages of materials and labor are almost universally blamed.

It is difficult to see how the veteran hoping to buy or rent a small $5,000 or $7,000 home can be helped by opening up billions of new commercial construction. It is difficult to see how ending all right of the Government to channel scarce materials into veterans' homes, instead of eating places, showrooms, stores, factories, summer hotels, and beach houses, will help the veteran.

It is difficult to see how repealing any right to allocate pig iron for scarce cast-iron soil pipe, steel for electrical switch receptacles, critical items for wiring, millwork and flooring can make the supply greater to the veteran by relieving him of his present preference.

It is difficult to see how withdrawal of all right of Government to give priority assistance to producers of housing materials for repairs, replacements, or new machinery will encourage more housing materials.

It is difficult to see how the weak and ineffective provisions of the bill, relating to a 30-day so-called veterans' preference period, will insure that the veteran can always get first chance at the same terms of completed houses.

This provision of the bill appears to be particularly weak and ineffective by failing to guarantee that the veteran must be given a genuine preference for sale at the same price and terms as nonveterans are quoted after the 30-day waiting period.

It would be the point of wisdom to continue the few remaining controls now being exercised by the Housing Expediter, to insure that housing for veterans is not frozen out of the picture by competition with unnecessary and nonessential construction.

A. S. MIKE MONRONEY.
HALE BOGGS.
ALBERT RAINS.
DONALD L. O'TOOLE.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I did not intend to speak on this bill. To me this bill is not satisfactory. I expect to vote for the bill in the hope that the conferees will correct some of the defects if we fail to amend it on the floor. I am not going to vote to recommit this bill because I know that means to kill the bill, and that you will not have any rent control after the 30th of June. While I would like to correct a lot of errors and mistakes in the bill, I am frank enough to say that I think a vote to recommit and send it back to the committee would be the end of the bill. I shall join with the chairman in voting for this bill in the hope that we will get something better from the conferees.

I remember when we had up the Patman bill there was one difference between myself and the author of the bill and the Chairman at that time. The difference of opinion was on subsidies. I led the fight, joined by my good friend, the present Chairman, and others, and after we won that fight the gentleman from Michigan [Mr. WOLCOTT] offered a substitute. We defeated his substitute and passed the Patman bill, and I am still for the main provisions in the Patman bill, especially those that are helpful to the veterans. The only difference between me and the author and the Chairman was that they wanted subsidies, and the record, as time has shown, has proved that I was right, and that the

gentleman from Michigan [Mr. WOLCOTT] and others who joined me were right, because of the $400,000,000 that we had for premium payments placed in the Patman bill by the conferees only $50,000,000 has been spent for building materials.

I think the benefits that were given to the soldiers in the Patman bill ought to be preserved and maintained. Now, as for rents, it may be that we should raise rents across the board to help the little home owners of this country. This bill in its present form carries no rent ceiling on houses to be built from now on. It takes care of those who are in the real-estate field. It takes care of those who are in the building game, but it fails utterly to take care of the little man who owns a little home.

You take another class, the class who failed to rent in 1945 and 1946. Now we say to them, "We will take care of you even if you did not comply with the wishes of the American people and did not open the doors of your houses to returning veterans. We will give you permission by which the sky is the limit for you to raise rents on all including these veterans that are coming home."

We say in this bill to the widow who left her home to live with her daughter in order that she might get enough rent from the little home to pay for her clothing, "We will not help you."

Under this bill we are saying to one class of home owners who are able to change or convert their houses to have more room space, "You are free to rent for whatever price you can obtain and the sky is the limit." Yet you say to the little man with nothing but a little home to rent, whose living expenses have gone up 100 percent since the freeze date, "You must remain under rent control without any increase in your rent."

Let me call the roll of some of these people who desire to help the little home owners. The soldiers of the country desire for them to receive fair play, in view of the fact that many classes and a large percent of the population will not be under rent control. You all remember the expression of President Lincoln to the effect that this country could not prosper long half free and half slave. May I now say this bill, as it is now, certainly will not be well received by the American people when you free so many and keep others, especially the poor class, under rent control, and I venture to say it will be difficult under such class legislation to enforce the provisions of this bill. This certainly is class legislation, with half the people controlled by rent ceiling and the other half turned loose.

Let me call the roll further. Mr. Paul Porter, successor to Mr. Bowles as Price Administrator, in June 1946, stated that should the then proposed extension to the Emergency Price Control Act become law, rents could not remain at their frozen level.

In November 1946, the Housing Rent Industry Advisory Committee to OPA, selected and approved by OPA officials themselves, made an official recommendation to the Office of Price Administration, urging an immediate 15-percent over-all increase in rent ceiling.

I am informed that 2 or 3 months ago, General Fleming, Administrator of the Office of Temporary Controls, prepared an order providing for an over-all 10-percent increase in the general rent level, but, I am further informed, this order was canceled for some reason by direction from higher authority. I am sure that General Fleming certainly had no political motive in preparing such an order. On account of the high cost of living and the further fact that so many present homes and those homes to be built will operate without any ceiling, it seems to me that a modest increase in the rental levels of the owners is necessary.

We certainly do not want to be placed in the position to be criticized without giving some aid to those whose rents were frozen in some sections of the country when these rents amount to about the same as received in 1939.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SPENCE. Mr. Chairman, I yield five additional minutes to the gentleman from Georgia.

It is true that we have, under the present law today, a provision by which the Administrator can raise the rent in hardship cases and where there are inequities. This is fair in theory but certainly has not proved practical or beneficial in such cases.

According to the testimony of one of the main witnesses, a man who is well known and has a splendid reputation, only 3,670 individual housing units of the 16,000,000 under rent control received an upward adjustment in rent to October 1946 under the hardship provisions of OPA. This is less than three one-hundredths of 1 percent. That is proof that that theory, while it sounds good, is not practical and did not work. Therefore, it is up to this committee to adopt some amendment that will be workable and give equality as much as possible to all classes of people. Therefore, a small raise across the board is the only practical method to do this as the other methods have failed.

You may say that some few people will get too much. Let us admit that those who bought their property at a foreclosure sale might get too much, but this is a very small percent compared with the whole.

An amendment providing for a 10-percent across-the-board raise is about the only way you are going to prevent hardship to the small home owners of our country, and if such an amendment is not in this bill the conferees will not have it in conference, as I understand the Senate bill as reported out by the committee does not have any such provision. If we are sincere about helping the little home owner, now is the time to have such an amendment in this bill.

I know that the returning soldiers themselves want this class of people to be treated fairly compared with other groups because they know, as many of us know, that a lot of small home owners have put every dime of their savings in small homes and now receive rent sufficient only to pay for the repairs that are required monthly.

I asked you to vote for such an amendment to give equality to the needy people. This bill is exactly what the real-estate dealers and the building-material people want. You have opened the door to them. You make the sky the limit to help this class of people, but you are not helping the little man. Such discrimination is wrong. Let us help the little home owners. Now is the time to help them.

Mr. WOLCOTT. Mr. Chairman, I yield the balance of the time to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I ask unanimous consent that I may speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Chairman, I take this time in order that the Members may have information that I think ought to be available so that you may be able to answer letters and telegrams which you will undoubtedly receive from many veterans who are receiving readjustment and subsistence allowances under the GI bill. There are some 1,120,000 veterans who are now receiving readjustment allowances and there are 1,660,000 veterans in schools and on-the-job training who are receiving subsistence allowances.

Yesterday at 3 o'clock the head of the Veterans' Administration issued a press release and word went out to the country that the veterans who are the beneficiaries of that program will have to wait for a short time for their money. The fellow who owes rent and has to pay cash as he goes along and who is in school and has a wife and two or three kids and is living in a trailer, as hundreds of thousands of them are, needs this money.

Unfortunately, the impression has gone out that the Congress has failed to meet its responsibility. I simply want to say that there will be some delay of a few days in getting these checks out to these veterans. The reason is that the program grew so rapidly that the Veterans' Administration, with all the help and aid and advice that they could bring to bear on the subject, missed the totals that would be necessary by over a billion dollars. The result was they had to come to the Congress for a deficiency appropriation. Between the time they submitted the situation to the Bureau of the Budget and the report to the Committee on Appropriations, the problem still continued to grow so that when General Bradley went before the Deficiency Appropriations Committee he was unable in his first appearance to give the committee the facts that were necessary to determine how much of a deficiency appropriation should be made. It was some 2 weeks later—the actual date of his first appearance was February 11, and the second appearance March 17—before the Deficiency Committee could get the information upon which to base an appropriation. That appropriation was made and it was passed in the House. You voted for it. I have it before me. It was passed in the House on the 1st day of April 1947. It was passed in the Sen-

ate on April 24, 1947. Two days ago and before any notice of the press release of the Veterans' Administration came to the committee, a conference was called to meet this morning. The conference report on the first deficiency bill approves all the money for the Veterans' Administration. I hope it will come before the House today and that the House will adopt it so that this bill can go to the President and be signed and thus provide the money to take care of these several million veterans who will be expecting this check in the mail to take care of their rent and take care of their living expenses.

I want those veterans to know, and I hope the press will give it to the people of this country, that those veterans do not have to worry and they do not have to wire their Senators or their Congressmen. We have proceeded to furnish this money just as rapidly as the processes of legislation will permit and just as rapidly as the tremendously expanded program would permit the Veterans' Administration to give us the necessary information.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. PRICE of Illinois. Is that the $350,000,000 which the committee said was not necessary in the deficiency appropriation?

Mr. KEEFE. That is part of the appropriation. The whole amount of this item is over eight hundred million. Why does the gentleman ask?

Mr. PRICE of Illinois. Because the committee at first said that was not necessary and I warned the House at the time that unless it was reinstated that this would happen.

Mr. KEEFE. That what would happen?

Mr. PRICE of Illinois. That the veterans would suffer by delay in their payments.

Mr. KEEFE. I do not recall any warning that the gentleman may have given. I do know that this House and all the Members on both sides want the veterans to receive the benefits of the GI bill, because, as a matter of fact, that $350,000,000 was put into the bill on the floor of the House and adopted by the House, and when the bill went to the Senate it was agreed to, and whether the three hundred and fifty million was in or out of the bill did not have one single thing to do with bringing about the situation that now confronts the Veterans' Administration, and the gentleman from Illinois well knows it. The gentleman's question is the injection of a sour political note into this discussion.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. SPENCE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—AMENDMENTS TO EXISTING LAW

SECTION 1. (a) Sections 1 through 9, and sections 11 and 12, of Public Law 388, Seventy-ninth Congress, are hereby repealed, and any funds made available under said sections of said act not expended or committed prior to the enactment of this act are hereby returned to the Treasury: *Provided*, That any allocations made or committed, or priorities granted for the delivery, of any housing materials or facilities under any regulation or order issued under the authority contained in said act, and before the date of enactment of this act, with respect to veterans of World War II, their immediate families, and others, shall remain in full force and effect.

(b) (1) Whenever the head of the department or agency designated to administer the powers, functions, and duties under title II of this act determines that there is a shortage, or that there is likely to be a shortage of building materials, he may by regulation or order require of any person or persons a permit as a condition of constructing any building or facilities to be used for amusement or recreational purposes.

(2) It shall be unlawful for any person to do or omit to do any act in violation of any regulation or order prescribed under authority of this subsection. Any person who willfully violates the provisions of this paragraph shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than 2 years, or to both such fine and imprisonment.

(3) As used in this subsection the term "person" has the meaning assigned to such term in title II of this act.

Mr. MONRONEY. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: Delete from line 5, page 2, of the bill the period and insert thereafter the following: "and provided further, That all the powers, duties, and responsibilities conferred by said sections shall continue in full force and effect until December 31, 1947, together with necessary funds thereunder, to permit the head of the department or agency designated to administer the powers, functions, and duties under title II of this act: (1) to continue allocations and priorities (a) for pig iron, shop-grade lumber or millwork, steel, phenolic molding compounds and resins for electrical wiring devices, and for bottleneck items needed by public service utilities and producers of housing and housing materials, (b) for Government-owned surplus, including temporary structures and utilities, and (c) to limit, on not more restrictive terms, nonessential construction and use of housing materials (including the requirement that a dwelling must be suitable for year-round occupancy, not exceed 1,500 square foot floor area, and have not more than one bathroom), (2) to use not more than $65,000,000 of the $400,000,000 previously authorized for access roads and premium payments, and (3) to carry out market guarantee contracts heretofore entered into."

And strike out on page 2 all of lines 6 to 13, inclusive.

Mr. MONRONEY. Mr. Chairman, this is the amendment about which I talked earlier in the day. It is an effort to try to put back into this bill something to help the veteran get housing.

I cannot see how this practically complete repeal of almost all the emergency provisions of the Veterans' Housing Act will help eliminate the critical housing shortage that millions of veterans are now undergoing.

By passing title I of this bill if you do not put my amendment in, you will strike out practically every single power the Federal Government has to channel any scarce material, repair parts, or raw products into the housing field no matter how badly a veteran might need that scarce item to complete his house. No matter how much pinch the housing industry might feel in competition with the automobile industry or some other industry no governmental authority can help get houses.

There will be not one thing left in any legislation that will give the veterans' housing program one single bit of Federal allocation help. On top of that by passage of title I without my amendment, you put the veterans into competition with untold billions of unnecessary commercial construction that is now waiting to get started. We are now building each year $3,000,000,000 of necessary commercial construction under present screening and limitations.

This necessary construction is approved by local committees, it is carefully screened not to interfere unnecessarily with veterans' housing. You can thus get the necessary commercial construction done. If you pass title I as it now is, you open the floodgates to many billions of unessential commercial construction without any limitation.

With the limitation that is in the bill as it stands today you can only prohibit construction for recreational and amusement purposes. But under this bill you are going to put the veteran into competition with gigantic commercial projects, despite the section written into the bill limiting only recreational and amusement parks. This is not going to protect the veteran, because there are hundreds of thousands of commercial projects, summer hotels, and beach houses, things like that, that will still be built.

I might add that this amendment has the approval of the American Legion housing committee. I talked to Colonel Taylor of the American Legion a few minutes ago. They are very much interested in it. It is on all fours with the program of the Veterans of Foreign Wars and with the program of the American Veterans' Committee. They were united in stating that we must have a minimum amount of restrictions in order to break bottleneck material situations if the veterans' housing program is to be a success.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. I had a communication from the Veterans of Foreign Wars. In that they did not go as far as the gentleman does. The gentleman has a good deal of language in his amendment treating in great detail about the number of bathrooms various apartments shall have, and so on. Would the gentleman explain how that ties in?

Mr. MONRONEY. Yes. This spells out all the restrictions that the Government can use in administering this veterans' housing program, and thus it spells out those which are now being used.

I have the statements in my office, in which the American Legion, the American Veterans' Committee, and the Veterans of Foreign Wars, all came out in favor of every one of these restrictions. These restrictions spell the thing out, and Government can go no further.

These are all restrictions they can put in. We are asking for this minimum authority. I am spelling it out in order that they can do something for the veterans who need houses. I fear then you will go back home and the veteran will see automobile showrooms, eating houses and summer hotels going up and he will say: "It is a funny thing I cannot get material or labor to build a small house costing four or five thousand dollars." That house will be in competition with a five hundred thousand or a million dollar commercial project and the small house will be the last thing completed. They are in competition almost universally for labor and materials as well.

Mr. Chairman, I think my amendment should be added to the bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

Mr. Chairman, as I understand it, the purpose of the gentleman's amendment is to restore virtually all of the controls under the program which title I would abolish. We are very much interested in what the veterans have to say about this; nevertheless, we have an obligation to the veterans themselves, and we are in an impartial, noncompetitive field here which allows us to think clearly on the issue and analyze it from the standpoint of the national economy. Mr. Cadwallader, who represented the American Legion, is chairman of a committee named at the San Francisco convention to study this matter, and his committee did a splendid job in their study. He said before the committee that priorities were not worth anything, that what the veterans wanted was homes, that priorities would not keep off any rain. So this bill is designed to give the veterans priorities and homes and rental property. It gives him what he wants.

A group of veterans came before the committee, a housing group named by all of the veterans organizations in Michigan with the exception of the American Veterans Committee. The American Legion was represented, the Veterans of Foreign Wars of the United States were represented, the AMVETS and the DAV's were represented. Mr. George Lyle is the head of that committee. Here was a committee made up of all four of the organizations. Mr. Lyle in private conversation told me he thought we should remove all controls and by doing so get homes and rental properties, that the veterans were more concerned with renting homes than they were with the purchase of homes because if it became a question of paying a little higher rental for a short period of time and high prices for a home, the veteran would prefer to pay a little higher rental for a short period of time than to bind himself for 20 or 25 years, the constructive years of his life, to pay from $75 to $100 a month, for shelter which you and I could not afford when we were starting out and which these boys coming back from the war cannot afford at the present time.

Mr. Chairman, the thing which will lick this housing shortage is production. The thing which is going to lick inflation is production and the only way you can get production in this country is to remove the shackles which have prevented construction and which has only left us with this inflationary trend. We tried it out on commodities. I wonder how often the President wishes he had signed that first OPA bill which we sent down to him which would have kept prices under control but which would have encouraged production. Most of the leading economists in the Nation admit the only way we can bring prices and rentals down is by reasonably meeting the demand for commodities and for rentals. That is what we seek to do in this bill. We did not get sufficient homes last year under these controls. The veterans' organizations know that we did not get these homes under Federal controls. Some of them suggested particular controls should be continued as, for instance, cast-iron soil pipe. There is practically no shortage of cast-iron soil pipe, so that there is no more necessity for continuing controls over cast-iron soil pipe than over lumber in general, or roofing or cement blocks. This amendment should be defeated, because it is expressive of the contention of the opposition position which is to continue these controls. In considering this amendment this committee decides whether to continue controls or remove controls. I think you will find in a study of this bill that the Committee on Banking and Currency has given a balance program whereby nobody is going to suffer too much. Some have got to make some sacrifices for the common good. We cannot remove all the inequities by legislation. That is an administration job and this amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 48, noes 127.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: Page 2, line 12, after the word "for" insert the word "commercial" followed by a comma.

Mr. JAVITS. It will be noted, Mr. Chairman, that the section to which I propose an amendment is nothing but a section of authority. The section states that the officer charged with the administration of this whole title may by regulation require permits to be granted for certain types of construction with authority to institute controls if controls be found necessary.

Now, that authority, as the bill is written, is limited to structures for amusement or recreational purposes, and I propose that that authority be broadened. It does not mean it has to be employed, but that that authority be broadened to include commercial structures so that the officer administering this title may require permits for commercial, amusement, or recreational structures.

All of us know, and I alluded a little while ago in the time generously afforded to me by the chairman of the committee how every veteran feels when he goes into any city in the United States and sees office buildings and department stores being erected, and he knows that homes cannot be built because of the shortage of the very materials which are going into these commercial structures.

Mr. LODGE. The gentleman would not call a hotel a commercial structure, would he?

Mr. JAVITS. No; I would not.

Every one of us knows just how a veteran who has fought in the war feels when he sees a department store getting a new building, when we all know they could make it do for a little while longer. Yet he knows the stuff going into that new building could very well have been used to help in the home-construction program. Under the amendment I have proposed there would be authority—that is all that is asked—authority, if needed to require permits for commercial, as well as amusement and recreational structures. If it is found that any of these materials going into commercial construction could better be used in home construction, the authority would be there to adjust what is obviously a maladjustment. I really and honestly think that the committee might well accept this amendment and put it in the bill in order to complete the objectives which they undoubtedly had in mind when they gave this authority in the bill.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I understand the gentleman's amendment, it would give the Administrator of this act the authority which is now contained in law to allocate all materials which are used in commercial construction, which means of course materials which are used in the manufacture of automobiles, home appliances, and many other things. I cannot think of any material right offhand that is not used in commercial enterprise in some manner or other.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. JAVITS. May I ask the gentleman whether the authority I propose to confer is any greater than the authority the bill itself confers on amusement or recreational structures?

Mr. WOLCOTT. Yes.

Mr. JAVITS. That is not my intention, I may say to the gentleman. It is my intention only to make the three equal, and that is all I do, I believe.

Mr. WOLCOTT. With the three equal, of course, you give equality to the amusement and the recreational facility along with an automobile factory, we will say, which would employ 40,000 or 50,000 people. I do not know that we want to equalize a beer garden with an automobile factory.

One of the reasons why the committee decided that it was not sound to continue the authority to allocate materials was that the Expediter virtually had the power in his hands to control the American economy through the allocation of materials. There was a time, and I

speak advisedly on the matter, because of the conferences I had with the industry—where because of the stock piling of sheet steel by the Expediter in anticipation of building factories for the prefabrication of sheet-steel enameled homes—in anticipation of building factories; the sheet steel was to be used in the houses to be manufactured in the factories when and if the factories were built—three of the industries in this Nation, because of that practice, were up against the fact that they would have to put over 100,000 people out of employment within 3 weeks.

We have an obligation here to unfreeze this economy. Those of you who are shedding crocodile tears today have in mind that what we are doing is making it possible to balance the economy so that our workers in the factories will not be endangered by any of the mistakes which some bureaucrat makes down here in Washington.

There is a reasonably steady flow of materials into the market at the present time, so that industry and commerce and home building will have ample materials, but in protection against the criticism, in case there is a shortage of materials, that this building material is going into honky-tonks and beer gardens and racetracks, we have written this language in the bill, and it is good language. Before the authority can be exercised, the Administrator must find there is a shortage of materials. Then he can provide that a permit for building these nonessentials must be issued. To add the word "commercial" gives the Administrator unusually broad powers over the whole American economy.

Mr. Chairman, the amendment should be defeated because the gist of this whole program is to free the American economy so we can stabilize it and assist other countries to do likewise.

We must stabilize the economy of our country very quickly, Mr. Chairman, because the economies of 42 nations and the currencies of 42 nations are now tied to ours. We have an obligation now not only to ourselves but to the world to stabilize our economy, and the only way we can stabilize it is through production, production, and more production.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 35, noes 123.

So the amendment was rejected.

Mr. MACKINNON. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: On page 2, after line 13, before line 14, insert:

"(c) No tenant shall be removed from any housing accommodations by action to evict, or to recover possession, by exclusion of possession, or otherwise, upon claim by the landlord that substantial alterations or remodeling will be done unless the head of the department or agency designated to administer the powers, functions, and duties under title 2 of this act determines, (1) that such alterations are reasonably necessary to protect and conserve the property, and, (2) that the landlord does not seek thereby to evict a tenant, thereby to secure a higher rental for the property."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment. It may be germane to title 2 but I do not think it is germane to title 1.

The CHAIRMAN. Does the gentleman from Minnesota [Mr. MACKINNON] desire to be heard on the point of order?

Mr. MACKINNON. Yes.

The CHAIRMAN. The gentleman may proceed.

Mr. MACKINNON. The section in question deals with the authority to control rents, does it not?

Mr. WOLCOTT. No. That is why I make the point of order. The section has to do with certain restrictions upon the use of building materials.

Mr. MACKINNON. That is correct.

Mr. WOLCOTT. It has nothing to do with rents.

Mr. MACKINNON. Speaking on the point of order, Mr. Chairman, the country finds itself in a double-barreled situation today with respect to alterations and rent controls. Rents are controlled both by action of the Administrator administering the rent-control law and by action of the Civilian Production Agency controlling the distribution of materials for remodeling and altering rental properties. I am interested in seeing that the situation in that narrow field is not materially changed. Since this aspect of rent control is a double-barreled proposition, I half agree with the gentleman's point of order, but I think it is proper to insert the provision in either section. If the gentleman from Michigan, the chairman of the committee, would prefer to have the language in title II of the act, I will be glad to defer it until that time.

Mr. WOLCOTT. In title II, on page 19, there is a section of the bill devoted to eviction of tenants. I made the point of order that it was not germane at this particular point, but it might be germane with respect to section 209.

Mr. MACKINNON. I will defer to the chairman's wishes and withhold the amendment until we come to section 209.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 2. Title III of the Second War Powers Act, 1942, as amended, and the amendment made by such title III, shall, insofar as they authorize the making of allocations of building materials and of facilities relating to the utilization of building materials, cease to be in effect on the date of the enactment of this act.

SEC. 3. Section 603 (a) of the National Housing Act, as amended, is amended by striking out "June 30, 1947" wherever appearing therein and inserting in lieu thereof "March 31, 1948."

SEC. 4. Title VI of the National Housing Act, as amended, is amended by adding the following new section at the end thereof:

"SEC. 609. (a) In order to assist in relieving the acute shortage of housing which now exists and to promote the production of housing for veterans of World War II at moderate prices or rentals within their reasonable ability to pay, through the application of modern industrial processes, the Administrator is authorized to insure loans to finance the manufacture of housing (including advances on such loans) when such loans are eligible for insurance as hereinafter provided.

"(b) Loans for the manufacture of houses shall be eligible for insurance under this section if at the time of such insurance, the Administrator determines they meet the following conditions:

"(1) The manufacturer shall establish that binding contracts have been executed satisfactory to the Administrator, providing for the purchase and delivery of the number of houses to be manufactured with the proceeds of the loan;

"(2) Such houses to be manufactured shall meet such requirements of sound quality, durability, livability, and safety as may be prescribed by the Administrator;

"(3) The borrower shall establish to the satisfaction of the Administrator that he has or will have adequate plant facilities, sufficient capital funds, taking into account the loan applied for, and the experience necessary, to achieve the required production schedule;

"(4) The loan shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Administrator estimates will be necessary current cost of manufacturing such houses, exclusive of profit. The loan shall be secured by an assignment of the aforesaid purchase contracts for the houses to be manufactured with the proceeds of the loan, and of all sums payable under such purchase contracts, with the right in the assignee to proceed against such security in case of default as provided in the assignment, which assignment shall be in such form and contain such terms and condtiions, as may be prescribed by the Administrator; and the Administrator may require such other agreements and undertakings to further secure the loan as he may determine, including the right, in case of default or at any time necessary to protect the lender, to compel delivery to the lender of any houses manufactured with the proceeds of the loan and then owned and in the possession of the borrower. The loan shall have a maturity not in excess of one year from the date of the note, except that any such loan may be refinanced and extended in accordance with such terms and conditions as the Administrator may prescribe for an additional term not to exceed one year, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time.

"(c) The Administrator may consent to the release of a part or parts of the property assigned or delivered as security for the loan, upon such terms and conditions as he may prescribe and the security documents may provide for such release.

"(d) The failure of the borrower to make any payment due under or provided to be paid by the terms of a loan under this section, or the failure to perform any other covenant or obligation contained in any assignment, agreement, or undertaking executed by the borrower in connection with such loan, shall be considered as a default under this section, and if such default continues for a period of 30 days, the lender shall be entitled to receive the benefits of the insurance hereinafter provided upon assignment, transfer, and delivery to the Administrator within a period and in accordance with the rules and regulations prescribed by the Administrator of (1) all rights and interest arising with respect to the loan so in default; (2) all claims of the lender against the borrower or others arising out of the loan transaction; (3) any cash or property held by the lender, or to which it is entitled, as deposits made for the account of the borrower and which have not been applied in reduction of the principal of the loan; and (4) all records, documents, books, papers, and accounts relating

to the loan transaction. Upon such assignment, transfer, and delivery, the Administrator shall, subject to the cash adjustment provided for in section 604 (c), issue to the lender debentures having a face value equal to the unpaid principal balance of the loan.

"(e) Debentures issued under this section shall be issued in accordance with the provisions of section 604 (d) except that such debentures shall be dated as of the date of default as determined in subsection (d) of this section and shall bear interest from such date.

"(f) The provisions of section 207 (k) and 603 (a) of this act shall be applicable to loans insured under this section, except that as applied to such loans (1) all references in section 207 (k) to the 'housing Fund' shall be construed to refer to the 'War Housing Insurance Fund' and (2) the reference in section 207 (k) to 'subsection (g)' shall be construed to refer to 'subsection (d)' of this section; (3) the references in section 207 (k) to insured mortgages shall be construed to refer to the assignment or other security for loans insured under this section; and (4) the references in section 603 (a) to a mortgage or mortgages shall be construed to include a loan or loans under this section.

"(g) Notwithstanding any other provision of law, the Administrator shall have the power to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection.

"(h) The Administrator shall fix a premium charge for the insurance granted under this section, but such premium charge shall now exceed an amount equivalent to 1 percent of the original principal of such loan, and such premium charge shall be payable in advance by the financial institution and shall be paid at such time and in such manner as may be prescribed by the Administrator. In addition to the premium charge herein provided for, the Administrator is authorized to charge and collect such amounts as he may deem reasonable for examining and processing applications for the insurance of loans under this section, including such additional inspections as the Administrator may deem necessary."

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the obvious error at the bottom of page 7, line 25, be corrected, and that the word "not" be substituted for the word "now."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 3, line 9, strike out all of line 9, down to and including the word "necessity" in line 10 on page 8.

Mr. SMITH of Ohio. Mr. Chairman, my amendment would strike out of the bill the section that provides for Government financing manufacturers of prefabricated houses. The section also provides for the financing of the finished product through FHA loans. This arrangement is tantamount to the Government guaranteeing a market for manufacturers of such houses. We had a mandate from the people to remove controls and to take the Government out of business.

I do not believe the American people intended that this Congress should pass legislation to put the Government further into the housing business, or any other business. The section in the bill does just the reverse and my amendment would strike out that section.

The proponents of the provision which I am seeking to strike from the bill have contended that the provision would revolutionize the housing-construction industry. It should be understood that the materials for the construction of the houses under this provision would not be of the convential type but would be composed mostly of steel and other unusual home-building materials. There is no objection to revolutionizing housing if it is done with private money under competition. There is serious objection to the Government revolutionizing the housing industry with the power of the Federal Treasury.

I trust the House will support my amendment.

Mr. SUNDSTROM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. SMITH].

Mr. Chairman, the amendment merely strikes out one section of the bill which I feel is one of the very important sections in the bill. We are talking about rent controls. I believe all of us feel that the one real method of getting rid of rent control, which we are trying to do, is to produce more houses at a moderate cost.

We had guaranteed markets, and what did those guaranteed markets do? They said that the Administrator could take a plant that was manufacturing a home or building a home in a factory and he would guarantee to buy them. I did not like that section and I do not think a lot of us did. They are trying to compare this wording with that particular section.

In this section we say to a man who is manufacturing a home or building a home: "We are going to build this house. We are going to give you an order for it, but instead of giving you the order to build it out on this site, we are going to give you, the builder, a chance to build it in your factory." When he is building that house in that factory he is going to build them in large quantities, he is going to have large inventory costs, and we are going to say to him: "You are going to need money to finance your working capital, to finance the purchase of material you will put in this house," just the same as the legitimate builder does when he builds a house. So we say to him: "Go to your local bank." And remember that.

We say to this builder, "You have orders for these homes; binding contracts. You go to your local bank. You borrow the money and the bank then has the privilege of going to the FHA under title VI and have that loan guaranteed." There is no Government money put up. But, in order to get that guaranty, these houses must meet requirements. They must be livable, they must be durable, and if that house meets those requirements, then the local bank makes the loan and the FHA guarantees it.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. Is it not true that that provision in the bill will make it possible to actually produce prefabricated homes? At least, that is my impression of the amendment, and I know that the gentleman sponsored the amendment before the committee. I think it is one of the real constructive paragraphs in this bill and I would like to commend the gentleman for having had that provision incorporated in the bill.

Mr. SUNDSTROM. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from New York.

Mr. KEATING. Is this what is known as the Sundstrom amendment? I have had a large number of communications speaking in highest terms of the Sundstrom amendment. I would like to know if that is what this is.

Mr. SUNDSTROM. I think that is what they call it.

Let me say this, that we hear about revolutionary ideas in building. What is wrong with a new idea if it is a good one? If somebody can build a better house for me for less money, I want to see him come forth with it, and any conventional builder, any man in the business today that is worrying, you can say to him, "My boy, you do not have to worry a bit if you can build a better house for the same amount of money," because these houses are not going to be financed unless they can meet the public demand. They cannot get any money from the local bank or the Government until they have sold them, and the people are not going out and buy shoddy houses, and they are not going to pay six or eight or ten thousand dollars for shacks. They are going to want their money's worth, and this amendment only gives them a chance, and they have to build a house that is livable and that meets all the requirements.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Is it not a fact, after all, that the provision by the Government to these prefabricated house manufacturers of funds to finance their business plus FHA loans, virtually makes this a guaranteed proposition?

Mr. SUNDSTROM. Well, I might say to the gentleman that I had this question asked me in the committee.

Mr. SMITH of Ohio. I did not finish the question. What I meant to say was:

That is tantamount to guaranteed markets.

Mr. SUNDSTROM. No; it is not at all, if the gentleman had listened to my explanation. And, I might say that we had this question up in committee. We considered it. We had Ray Foley, the Administrator, look this over.

Dr. SMITH said to me one day in committee, "Why, you are backing some industrialist and putting him in business with Government money." And I said, "No, I am not at all, because he has to have plant and equipment," and I said to him, "Dr. SMITH, if you get $10,000,000 tomorrow, I will start in this business with you." Every man has a fair chance.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield to the gentleman from California.

Mr. FLETCHER. Is it not a fact that it is because of the lack of venture capital in the United States at the present time that you are particularly anxious to have this amendment passed; that it is necessary to have these manufacturers with bona fide sales go to the bank and get an industry loan, and thereby make possible this creation of low-cost housing which is going to be the very thing that will solve our problem today in rent control?

Mr SUNDSTROM. I would say that I like to agree to that. You have to compare this to a conventional builder. We will say that I am a conventional builder and I am permitted to build 10 houses, and I go out and I start building those 10 houses. I have some 90-percent completed; I have some 80-percent completed; I have some I am just starting, but I run out of capital. I do not have any more money, so what will I do? I go to the local bank and I say to them, "I have 10 houses under construction. I want to build 10 more but I need some financing, I need some help, I need a loan." The bank gives me that loan, as they do. I am building those houses on the site. There is not a great deal of difference if I am building houses in a factory instead of building them on the site except that it is a little faster. I have orders for a lot of houses, and I am running shy on capital and I go to the local bank. I say, "I want some financing." He says, "Well, what have you got to show for it?" I say, "I have some houses 90-percent complete, some 70-percent complete, some 60-percent complete, and some just started," just the same as a conventional builder. I say to him, "I want to borrow money on those houses." He says, "All right, I am going to give it to you, only in this particular case we are lending only 90 percent of the cost of the house," which is only about 50 percent of the cost of the completed, erected house on the site.

I know you have had letters from the Veterans of Foreign Wars. I should like to read a paragraph from a letter I got from them:

> For several months my organization has believed that one solution to low-cost housing would be by using mass-production methods in the building of homes. Certainly, mass production has proven itself in every other phase of the American industry, and we see no reason why this should not hold true in the home-building industry. As we see it, the Sundstrom amendment would place factory producers of homes on the same financing basis with conventional home builders. And, by allowing FHA financing to factory producers, it will, in our opinion, encourage the production of quality homes costing between $5,000 and $8,000. Surely no one could quarrel with an amendment such as you have suggested. We offer our wholehearted cooperation in your endeavor.

We have heard an awful lot of talk about what we are trying to do for the veteran, we have heard a lot of talk about what we are trying to do for those people who have to double up and live with their in-laws, we have heard a lot of complaint by people who pay too much rent and want a cheaper place. My solution is just this: If we can produce enough homes at a moderate cost so that we can say to those three groups of people, "If you do not like where you live, here is a house you can buy or own for about $50 or $60 a month or maybe less," then if they say, "I would rather pay $300 where I live rather than pay that cost," they cannot complain very much. The person who is doubling up with his in-laws is going to have a choice whether he wants to pay the present cost of living or go out and buy one of these houses at a cost that he can meet.

If this meets FHA approval it means that it has to be a house that is durable. They lend money on houses that are going to last 15, 20, or 25 years, and they are not going to approve what we like to term chicken coops. The fact is, that is the one reason I have been so much against this FPHA housing program; it has not met the requirements and given people a decent place to live.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 16, noes 129.

So the amendment was rejected.

Mr. MATHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time solely for the purpose of asking the chairman of the committee or my distinguished colleague from New Jersey, whose amendment I am very much in favor of, if they can clarify the language on page 4, subsection 4:

> The loan shall involve a principal obligation in an amount not to exceed 90 percent of the amount which the Administrator estimates will be the necessary current cost of manufacturing such houses, exclusive of profit.

I do not understand what that "exclusive of profit" means. It cannot mean the profit of the manufacturer himself because when he borrows the money he cannot possibly know what his profit will be. I am a little afraid it may be interpreted to mean the profits of the subcontractors, in which it would cut down the 90 percent that he could borrow. I do not understand that language.

Mr. SUNDSTROM. Mr. Chairman, will the gentleman yield?

Mr. MATHEWS. I yield.

Mr. SUNDSTROM. If you will follow the thing, in the first place a man cannot get a loan until he has a binding contract for the purchase of the house at a price which has already been set.

Mr. MATHEWS. In every case?

Mr. SUNDSTROM. In every case. He cannot borrow money until the house is sold, and then he goes to the local bank. He tells the bank what his costs are, and he can only borrow 90 percent of his costs. Of course, he cannot finance his profits in any sense of the word.

Mr. MATHEWS. Of course, the cost could not include profits in any event.

Mr. SUNDSTROM. It is only the cost, which in most cases would be about 50 percent of the building.

Mr. MATHEWS. If that is the real explanation of it, the rest seems to be surplusage, but I accept the explanation.

The CHAIRMAN. The time of the gentleman has expired.

The pro forma amendment is withdrawn.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the action taken by the Committee of the Whole with reference to section 1, in keeping this section in the bill and having in mind the confusion that exists among members of the committee itself where a majority may agree on this provision and another majority on another provision and another majority on another provision, but no majority on the whole bill, when the motion is made to recommit the bill it is my intention to vote for that motion and send this bill back to the committee in the hope that further consideration by the committee will result in reporting out a bill that will more satisfactorily represent the will of the majority of the committee and the will of the majority of the House so far as the entire bill is concerned.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WOLCOTT. I call the attention of the gentleman to the fact that there was not too much dispute in the committee. It was reported out of the committee by a vote of 20 to 3 and 2 answering present.

Mr. McCORMACK. The gentleman's observation is most pertinent except for the valuable evidence of what went on on the floor today of the various members of the committee expressing themselves one way and the other. What are my serious objections? I seriously object to a provision of the bill which takes away control at this time, on nonessential construction. We can argue all we want to about free competition and the law of supply and demand, but when the demand is many times more than the supply, unless control of some kind exists we are going to have inflation and we are going to have a rapidly rising market and that will seriously interfere with doing the first job that confronts the people of the country today and the Congress from a domestic angle, and that is the building of homes and residences. Only last year we passed the Patman bill stating that there was an emergency existing in relation to veterans and their inability to get homes. By this bill, for all practical

purposes, we are repealing the provisions of the Patman bill and taking away all controls so far as nonessential construction is concerned and placing those who want to build a home, and that includes the veterans, in a position where they must compete with industry in trying to get the materials to build their homes when industry might be engaged in nonessential construction—construction important at some later date, but in competition with homes now it is construction that should be deferred until some later time.

This is a matter of such vital importance to millions of people throughout the country, veterans in particular, who are given preference and priorities, that we should recommit this bill to the committee for further consideration of that important subject alone.

It seems amazing to me that with all the veteran organizations opposing this provision, that a majority of the members of the Committee on Banking and Currency failed to give any kind of consideration to the position taken by representatives of the veterans' organizations and of the veterans' organizations themselves.

Furthermore, the 15-percent increase in rent is something that should be given further consideration. I recognize the force of the arguments of those who say that the landlord has made great sacrifices. There is no question about that. On the other hand, when there is a shortage somebody has to make sacrifices for the common good. On the one hand, where there is a certain bank and the demand is many times greater than the supply, unless there is control somewhere we are going to have inflation as a result of that demand, which is many times more than the available supply. Then, unless we have some method of rationing or control, we are going to have dissatisfaction all along the line.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired.

Mr. MCCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MCCORMACK. We must realize that the landlord has made sacrifices, but it has been in the common interest and for the general welfare. I cannot speak for other sections of the country, and this is no indictment of landlords, but it is a statement of fact: Up in my section of the country the landlord has been making very few repairs in any of the places where tenants live. Furthermore, the average landlord figures on his income and his rentals, 2 months' vacancies each year. They have had continuous occupation. There have been little if any repairs made. In 98 percent of the cases there have been no repairs made in houses where tenants have lived during the last 4 or 5 years.

The landlord has made sacrifices, but on the other hand the landlord has gained benefits which are of a compensatory nature. Under those conditions, where the demands for apartments are much greater than the apartments available, unless we have some kind of control, we will have inflation in rents which, with the sharp increase in cost of living, will bring about decidedly unsatisfactory conditions.

Because of the veterans' situation, because of section 1, which is absolutely wrong at this time, and which should be considered further, and because of the provision relating to the 15-percent increase where an agreement is made—and you know what the agreement will be; it will be an agreement where the tenant in most cases will have to submit in order to keep his apartment—because of the weakness of those two provisions and their paramount importance in legislation of this kind, when a motion to recommit is made it is my intention to vote for it.

I took the floor briefly to express the reasons why I am going to vote for the motion to recommit.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

The pro forma amendments were withdrawn.

The Clerk read as follows:

SEC. 5. (a) In order to assure preference or priority to veterans of World War II or their families—

(1) no housing accommodations consisting of a dwelling designed for a single family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families; and

(2) no housing accommodations, designed for occupancy by other than transients, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be rented or offered for rent, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families.

(b) This section shall cease to be in effect whenever the President proclaims that the protection to such veterans and their families provided by this section is no longer needed.

(c) For purposes of this section (1) the head of the department or agency of the Government designated to administer the powers, functions, and duties under title II of this act shall prescribe by regulations the time as of which construction of housing accomodations shall be deemed to be completed, and (2) the terms "person" and "housing accommodations" shall have the meaning assigned to such terms in title II of this act.

(d) Any person who willfully violates any provision of this section shall, upon conviction thereof, be subject to a fine of not more than $5,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 9, strike out lines 7 to 14, inclusive, and insert:

"(c) For the purposes of this section the head of the department or agency designated to administer the powers, functions, and duties under title II of this act shall prescribe by regulations: (1) The time as of which construction of housing accommodations shall be deemed to be completed, (2) that such housing accommodations shall, for said 30 days, be publicly offered in good faith for sale or rental to veterans of World War II, at prices and terms no less favorable than to others during such period and thereafter, and (3) exceptions to this section for hardship cases: *Provided*, That nothing contained in this act shall affect or remove any veterans' preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of enactment of this title. The terms 'persons' and 'housing accommodations' shall have the meaning assigned to such terms in title II of this act."

Mr. MONRONEY. Mr. Chairman, this amendment merely seeks to tighten up and make effective a genuine guaranty that the veteran will have first chance at the completed housing that is built under this act and pursuant to it. If you will turn to the bill and read page 8, line 13, you will find the following:

No housing accommodations consisting of a dwelling designed for a single family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale, prior to the expiration of 30 days after construction is completed, for occupancy by persons other than such veterans or their families.

Obviously, we have left a loophole a mile wide for evasion and people will blame the Congress for leaving it. Under the bill as it stands, builders do not have to sell to a veteran. If they do not sell to a veteran, they will still not be in conflict with the law because all they have to do is to let the house stand vacant and unsold for 30 days.

Then they can sell it to whomsoever they desire and there is no violation of the law if you just wait that 30 days.

I know the chairman wants to make these houses available to veterans.

In substance all my amendment does is to add to the section that is stricken these words:

That such housing accommodations shall for said 30 days be publicly offered in good faith for sale or rental to veterans of World War II at prices and terms no less favorable than to others during such period and thereafter.

Is that expecting too much to guarantee that the veterans themselves will have an honest first chance to buy at prices and terms no less favorable than to other people, the housing that is built?

Bear in mind there is a demand for this housing. But here you only say that the builder need wait only 30 days without being compelled to sell that house to a veteran, without ensuring that he must offer it at public sale and at publicly announced terms to the veteran.

You have got no veterans' guaranty in the act as it is written that would give the veteran one single bit of help in getting this scarce housing that he needs.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. KEATING. I am sure the chairman of the committee who was a former departmental commander of the Veterans of Foreign Wars in Michigan wants to do everything for the veterans. I am much impressed with the particular point to which the gentleman from Oklahoma is now addressing himself, but the gentleman paints with such a broad

brush, will he tell us what the other provisions he put in his amendment do?

Mr. MONRONEY. I may say to the gentleman that it is practically all in the bill. The only thing that changes section 2 that is stricken out is the language that I just read in paragraph 2:

That such housing accommodations shall for said 30 days be publicly offered in good faith for sale or rental to veterans of World War II at prices and terms no less favorable than to others during such period and thereafter.

It picks up all of the rest of this section but it does nail down one other thing which the Chairman in the committee hearings said he wanted nailed down.

That is, to continue the existing ceilings on houses that were built with veterans' priorities. I know the chairman wants to do that. He has put it in the legislative history of the act that he wants these houses that have been built under the veteran priorities to be forced to be sold, those that are completed, at the ceilings that were placed on them.

All this does is to tighten up and make effective the stump speech that is now in the bill. I do not think the Congress wants to hand the veterans a sleeper that will mean absolutely nothing and permit widespread evasion. We do not want builders to wait 30 days after the house is completed, then sell it to a brother-in-law or somebody else simply because he has complied with the law by waiting 30 days after the house is completed before selling to a nonveteran.

Mr. Chairman, I hope the committee will accept my amendment.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MACKINNON. Mr. Chairman, I offer an amendment as a substitute for the Monroney amendment.

The Clerk read as follows:

Amendment offered by Mr. MACKINNON: Page 9, line 2, after the word "families" strike the period and add the following: "; and

"(3) no housing accommodations consisting of a dwelling designed for a single-family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale to any person at a price less than the price for which it is offered to veterans or their families; and

"(4) no housing accommodations, designed for occupancy by other than transients, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be rented or offered for rent, at a price less than the price for which it is offered for rent to veterans and their families.

"(5) During the 30-day period referred to in subsections (1) and (2) the availability of such housing accommodations for sale or rental to veterans or their families shall be advertised at least four times on four separate days in some newspaper of general circulation which is distributed in the general vicinity of the place where the housing accommodations are situated, and such advertisement shall include a statement that veterans and their families have priority in the sale or rental of such housing accommodations."

Mr. MACKINNON. Mr. Chairman, this amendment, offered as a substitute for the Monroney amendment aims at exactly the same hole in the bill that the Monroney amendment shoots at; however, in my opinion it is more explicit and in some respects it goes a little farther.

My suggested amendment provides in substance that these properties cannot be sold at a higher price than they are offered to a veteran. I think it is apparent that widespread abuses will crop up under this act. These abuses presently exist. Houses are built, they are kept for 30 days with veterans being unable to learn of their availability and then they are sold to persons other than veterans.

Section (5) of my amendment seeks to guarantee a public sale. My objective is the same as the gentleman from Oklahoma in this respect and provides that during the 30-day period that homes are held for veterans that a public offering will be made in the newspapers in the locality where the house is located. During this time the advertising sections of your newspapers will carry notices in the form of advertisements stating that veterans have priorities in the purchase or rental of all homes that are covered by this section of the law.

The amendment is simple and direct. I do not think it needs a great deal of elaboration. It is aimed at an abuse which presently exists and which is sure to continue, in my judgment, unless we provide this machinery to correct it.

I hope that the chairman of the committee will favor this amendment.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Minnesota.

Mr. O'HARA. I appreciate and sympathize with the idea of getting publicity on the sale of these houses. Does the limitation of four publications mean that they might be run on four separate dates in any 1 week or four separate weeks?

Mr. MACKINNON. On any of four separate days during the 30-day period.

Mr. O'HARA. I thank the gentleman.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Massachusetts.

Mr. CLASON. What effect will the gentleman's amendment have on a prefabricated house? The man has not got it built and he gets a loan of 90 percent to start up his plant before he gets going, and he has to have a contract, and according to the gentleman's statement, before he sells the house he has to advertise it four times and he has not built the house yet.

Mr. MACKINNON. The 30-day provision of my amendment only refers to the particular provisions of the law that seek to guarantee homes for veterans and to that 30-day period when they are held for veterans under subparagraphs (1) and (2) of section 5 (a) of the bill.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I am greatly impressed by the gentleman's amendment. It goes further than my amendment does in attempting to insure priorities for veterans on these completed houses, and I urge the House to adopt his amendment instead of mine, because I believe it would more nearly answer and nail down tight the guaranty that the veteran would get these houses.

Mr. MACKINNON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks as well as the remarks I previously made in the Committee of the Whole.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this attempts to restore in a limited way preference for veterans of this past war. I think the language is too loosely drawn for that purpose in order to be effective.

I invite your attention to the fact that this language and the language of the gentleman who just introduced the amendment only refers to houses that are completed after the passage of this act. In other words, if you were a United States district attorney and someone would come to you and make a complaint under the terms of this bill as written, or as amended, the district attorney would say, "Well, can you say that the house was completed when it was sold to a nonveteran?" And if the complainant should say, "No, the house was not completed; it was lacking in certain things"—and very few houses are completed now; they are lacking in certain things—then the district attorney would say, "Under the law that Congress wrote this person cannot be prosecuted because the House is not actually completed."

So you do not have an effective veterans' preference written into this law. There is a way to evade it, and, naturally, you expect people to adopt methods that will not bring them within the terms of a criminal act.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. LYLE. As a matter of fact, a great deal of the measures that we have been discussing here today, in my judgment, are more calculated to get votes than they are houses for veterans.

Mr. PATMAN. This is just one of the things in the bill that I invite your attention to that is very confusing; not only confusing, but will be wholly ineffective and will be absolutely worthless, promising the veteran something that cannot be enforced at all. Now, if we want to give them real veterans' preference we should go back to the original act and restore that.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arizona.

Mr. MURDOCK. Down in our Southwest there are old Spanish missions with two towers, one of which on each is uncompleted, and that was because the builders tried to evade a provision of law and escape taxation. Does the gentleman mean to imply now that by reason of this amendment that there will likely be a lot of houses uncompleted in some minor detail?

Mr. PATMAN. We would expect that to happen. We should expect people to do things that will not bring them within the terms of a criminal act.

When this bill is reported to the House, I expect to offer a motion to recommit, just a straight motion to recommit it to the committee for the purpose of correcting just such loopholes as I have invited your attention to in this one particular instance.

Mr. WOLCOTT. Mr. Chairman, as I understand the MacKinnon amendment, it makes certain that these properties must be offered to the veteran for sale at no higher price than they are offered to the nonveteran later on, and that the property must be advertised for rent and offered to the veteran. I believe that is in keeping with what the committee intended to do. I understand the gentleman from Oklahoma suggests that we accept the MacKinnon amendment in lieu of his amendment. With that understanding, I think the MacKinnon amendment is quite satisfactory.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. I wonder if the amendment does not go a little further than the gentleman intends there in freezing the price that the house shall be sold for until March 31, 1948. It means freezing it at a certain price.

Mr. WOLCOTT. It surely is not the understanding that it will do that. If it does, there will be a correction. I think it makes clear what we intend to do. If it does what we intend to do, I think it is perfectly all right to accept the amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Minnesota [Mr. MACKINNON] to the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. MACKINNON) there were—ayes 107, noes 31.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY], as amended by the substitute amendment.

The amendment as amended was agreed to.

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

I would like to know what the intention of the Committee is with reference to completing the consideration of the bill.

The CHAIRMAN. The gentleman from Kentucky does not state a parliamentary inquiry, but perhaps the gentleman from Michigan [Mr. WOLCOTT] may answer the gentleman.

Mr. WOLCOTT. Mr. Chairman, I thought if we might finish title I tonight I would move that the Committee rise. If there are no further amendments to title I, I suggest that the Clerk read in the interest of orderly procedure and that will, of course, close the debate on title I, and after the first section of title II is read I will ask that the committee rise.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—MAXIMUM RENTS

DECLARATION OF POLICY

SEC. 201. (a) The Congress hereby reaffirms the declaration in the Price Control Extension Act of 1946 that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy and would tend to prevent the attainment of the goals therein declared.

(b) The Congress therefore declares that it is its purpose to terminate at the earliest practicable date all Federal restrictions on rents on housing accommodations. At the same time the Congress recognizes that an emergency exists and that, for the prevention of inflation and for the achievement of a reasonable stability in the general level of rents during the transition period, as well as the attainment of other salutory objectives of the above-named act, it is necessary for a limited time to impose certain restrictions upon rents charged for rental housing accommodations in defense-rental areas.

(c) To the end that these policies may be effectively carried out with the least possible impact on the economy pending complete decontrol, the provisions of this title are enacted.

Mr. WOLCOTT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO REVISE AND EXTEND REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all members who spoke today in Committee of the Whole on the bill H. R. 3203 may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DEFICIENCY APPROPRIATION BILL—CONFERENCE REPORT

Mr. TABER, from the Committee on Appropriations, submitted the following conference report and statement on the bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 25, 26, and 79.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 33, 37, 38, 39, 40, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, and 78; and agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In line 7 of the matter inserted by said amendment strike out the figure "$20,000" and insert in lieu thereof "$15,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$282,500"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$626,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$60,825"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$200,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$350,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$260,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,934,425"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$350,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amend-

ment insert "$164,631,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$17,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: ": *Provided*, That not exceeding $42,000,000 of the funds appropriated under this head shall be available for providing the necessary water transportation and transportation facilities including surplus ships which may be made available"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,925,675"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$4,529,350"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 42.

JOHN TABER,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
Managers on the Part of the House.

STYLES BRIDGES,
C. WAYLAND BROOKS,
CHAN GURNEY,
JOSEPH H. BALL,
KENNETH MCKELLAR,
CARL HAYDEN,
M. E. TYDINGS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I. GENERAL APPROPRIATIONS

Amendments Nos. 1 to 6 inclusive, relating to the Senate, provide additional amounts for furniture and repairs, $5,000; for Senate restaurants, $30,000; for mail transportation, $4,500; for stationery for Senators, $29,100; and installation of new telephone equipment, as proposed by the Senate.

Amendment No. 7 appropriates $408,743 for the Panama Canal construction annuity fund, Civil Service Commission, as proposed by the Senate.

Amendment No. 8 appropriates $55,000 for certification services, Food and Drug Administration, as proposed by the Senate, instead of $40,000 as proposed by the House.

Amendment No. 9 appropriates $275,364 for salaries, Howard University, as proposed by the Senate.

Amendment No. 10 appropriates $600,000 for payments to States, Vocational Rehabilitation Act, as proposed by the Senate.

Amendments Nos. 11 and 12 appropriate $762,181.66 for payment of damage claims, Public Roads Administration, as proposed by the Senate, instead of $742,814.77 as proposed by the House.

Amendment No. 13 appropriates $15,000 for the Indian Claims Commission instead of $20,000 as proposed by the Senate.

Amendment No. 14 appropriates $60,800 for arbitration, emergency and emergency panel boards, National Mediation Board, as proposed by the Senate.

Amendment No. 15 appropriates $10,430 for salaries and expenses, National Gallery of Art, as proposed by the Senate.

Amendments Nos. 16 and 17 appropriate $282,500 for control of tree insect epidemics, instead of $250,000 as proposed by the House and $315,000 as proposed by the Senate, and eliminates language proposed by the House to restrict the area in which appropriation could be expended.

Amendment No. 18 appropriates $10,000 for the Philadelphia National Shrines Park Commission as proposed by the Senate.

Amendments Nos. 19 and 20 appropriate $50 for a damage claim, Department of Justice, as proposed by the Senate.

Amendment No. 21 increases limitation on amount available for printing and binding for the War Labor Board, fiscal year 1946, from $30,000 to $49,000 as proposed by the Senate.

Amendments Nos. 22, 23, and 24 appropriate $111,136.06 for damage claims, Navy Department, as proposed by the Senate, instead of $20,509.56 as proposed by the House.

Amendments Nos. 25 and 26 increase, by transfer, amount available for salaries, Hydrographic Office, by $200,000 as proposed by the House, instead of $217,000 as proposed by the Senate.

Amendment No. 27 increases, by transfer, amount available for salaries, Office of the Secretary of the Navy, by $626,000, instead of $600,000 as proposed by the House and $652,000 as proposed by the Senate.

Amendment No. 28 increases, by transfer, amount for salaries, Office of Judge Advocate General of the Navy, by $60,825, instead of $50,000 as proposed by the House and $71,650 as proposed by the Senate.

Amendment No. 29 increases, by transfer, amount for salaries, Office of Director of Naval Communications, by $200,000, instead of $100,000 as proposed by the House and $216,800 as proposed by the Senate.

Amendment No. 30 increases, by transfer, amount for salaries, Bureau of Naval Personnel, by $350,000, instead of $275,000 as proposed by the House and $425,000 as proposed by the Senate.

Amendment No. 31 increases, by transfer, amount for salaries, Bureau of Ordnance, Navy, by $260,000, instead of $250,000 as proposed by the House and $318,350 as proposed by the Senate.

Amendment No. 32 corrects a total.

Amendment No. 33 corrects the title of an appropriation as proposed by the Senate.

Amendment No. 34 increases, by transfer, the amount available, Medical Department, Navy, by $4,000,000, instead of $3,862,000 as proposed by the House and $4,392,000 as proposed by the Senate.

Amendment No. 35 increases, by transfer, amount for salaries, Bureau of Ships, Navy, by $350,000, instead of $200,000 as proposed by the House and $691,700 as proposed by the Senate.

Amendment No. 36 corrects a total.

Amendment No. 37 corrects the title of an appropriation as proposed by the Senate.

Amendments Nos. 38 and 39 correct a printing error.

Amendment No. 40 appropriates $10,000 for salaries, Office of the Solicitor, Post Office Department, as proposed by the Senate.

Amendment No. 41 makes $17,000 (instead of $15,000 as proposed by the House and $20,000 as proposed by the Senate) for attendance of delegates at the Congress of the Universal Postal Union.

Amendment No. 42 reported in disagreement.

Amendment No. 43 appropriates $1,769,400 for manufacture of stamps, Post Office Department, as proposed by the Senate instead of $1,600,000 as proposed by the House.

Amendment No. 44 increases limitation on amount available for personal services in the District of Columbia for the Post Office Equipment Shops, from $869,500 to $932,800, as proposed by the Senate.

Amendments Nos. 45, 46, and 47 appropriate $201,375.28 for damage claims, War Department, as proposed by the Senate instead of $154,130.77 as proposed by the House.

Amendment No. 48 appropriates $1,000,000 (under the heading, "Pay of the Army") for transportation by air to the United States of war spouses and their children, as proposed by the Senate.

Amendment No. 49 limits the amount available for water transportation of relief supplies, etc., in the appropriation, "Government and relief in occupied areas, Army," to $42,000,000, instead of $60,000,000 as proposed by the House, and strikes out language, proposed by the House, relating to reimbursement for such relief expenditures.

Amendment No. 50 appropriates $300 for increased pay costs for detailed police under the Capitol Police, Senate, as proposed by the Senate.

Amendment No. 51 corrects an appropriation title.

Amendment No. 52 appropriates $400,000 for increased pay costs, Panama Canal, sanitation (War Department), as proposed by the Senate.

TITLE II. CLAIMS AND JUDGMENTS

Amendments Nos. 53 to 78, inclusive, appropriate $22,667,630.64 for claims and judgments, as proposed by the Senate, instead of $18,265,732.57, as proposed by the House.

TITLE III. REDUCTIONS IN APPROPRIATIONS

Amendment No. 79 rescinds $210,000 from "Naval Reserve Officers' Training Corps," as proposed by the House, instead of $193,000 as proposed by the Senate.

Amendment No. 80 rescinds $1,925,675 from "Transportation and recruiting of Naval personnel," instead of $2,147,500 as proposed by the House and $1,738,700 as proposed by the Senate.

Amendment No. 81 rescinds $4,529,350 from "Naval Procurement fund," instead of $4,817,350 as proposed by the House and $3,795,650 as proposed by the Senate.

AMENDMENT IN DISAGREEMENT

Amendment No. 42 authorizes expenditure of fund for expenses of delegation to universal Postal Union on certificate of Postmaster General. The managers on the part of the House have directed that a motion be made that the House recede from its disagreement to the said amendment and concur therein.

JOHN TABER,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
Managers on the Part of the House.

Mr. TABER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report. The report contains a large number of appropriations for agencies of the Government which are apt to be short of funds, and they are presently supposed to be short of funds and this should be made law as soon as possible.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. MURDOCK. Reserving the right to object, Mr. Speaker, and I shall not object, does the conference report cover payments for social security to old people?

Mr. TABER. Those items were not in dispute. Those items are in the bill but they were not in dispute so the conference report would not cover them. They are in the bill but the conference report does not cover them because they were not in dispute between the two bodies.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement as above set out.

The SPEAKER. The question is on agreeing to the conference report.

Mr. TABER. Mr. Speaker, this is a unanimous report from the conferees. I have asked that it be considered now because it contains items for some of the agencies that should be made available as soon as possible.

Mr. CANNON. Mr. Speaker, this is a rather unusual request, especially this late in the afternoon. Does the gentleman expect to yield time for debate?

Mr. TABER. If the gentleman from Missouri desires time, I shall be pleased to yield it to him.

Mr. Speaker, I yield the gentleman 5 minutes.

Mr. CANNON. Mr. Speaker, I was in the committee room and did not hear the gentleman's statement giving his reason for calling up the conference report for consideration at this late hour in the day.

Mr. TABER. It was done because there are some agencies which need the money and it is desired that the funds be made available to them as rapidly as possible.

Mr. CANNON. I heartily agree with the gentleman from New York that the earliest action possible should be taken. As a matter of fact, it is to be regretted that it is so unnecessarily belated. It is true that all the appropriation bills have been delayed to an extent unprecedented in the history of the House or the Congress, but the delay in this particular bill is especially unfortunate in that the lack of funds which it carries makes it necessary for the Veterans' Administration to default in the payment of hundreds of thousands of checks already due veterans all over the country. Former servicemen throughout the Nation are waiting for their allotments. The checks have already been written but the Veterans' Administration cannot put them in the mails until the money is provided by this bill. We have long been fully apprised of the situation, and I am glad to cooperate in pushing the bill up even 1 day, although it is now too late to get the checks to the men who are expecting them at the time they are due.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Arizona.

Mr. MURDOCK. Not only with regard to the veterans, but with regard to social security payments, there are thousands of old people within my State who have been delayed in receiving their checks, and I presume the same situation prevails elsewhere. On this account I should like to see the conference report agreed to as quickly as possible.

Mr. CANNON. I am glad to have the gentleman's cooperation. We need all the help we can get in putting these bills through on time, or at least nearly on time as in this instance.

In response to the gentleman's inquiry, failure to get the bill through on time has left the Bureau without funds to pay student veterans their regular allowances, as well as subsistence checks for on-the-job trainees and, of course, all veterans on the unemployment compensation rolls. They aggregate something between two and three million veterans.

Justifications and full data were submitted by the Veterans' Administration in January. As I recall, General Bradley was called before the committee before the middle of February. He was not again called until March 17. If we can, save another day. Tomorrow is the first day of May, and I am glad to cooperate in getting the conference report over to the Senate without further embarrassing delay.

Mr. Speaker, in order to expedite procedure, I yield back the remainder of my time.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 28, line 2, insert "to be expended in the discretion of the Postmaster General and accounted for on his certificate, which certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended."

Mr. TABER. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 42 and concur therein.

The motion was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole this afternoon and to include therein certain statements and excerpts including minority views of four Members on the bill that was passed today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYLE (at the request of Mr. PATMAN) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. RICH. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a speech made by Mr. E. M. Elkin, chairman of the Committee on Taxation and Government Expenditures, on Monday night at the Mayflower before the Pennsylvania State Chamber of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LEFEVRE and Mr. BLATNIK asked and were given permission to extend their remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

Mr. HORAN. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes today following the special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

THE BATA CO.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a speech I made regarding the Bata Co., of Czechoslovakia, on June 30, 1940, a statement on hide, leather, and shoes of June 3, 1939, and an article appearing in the New York Times.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, more than 5 years ago, before this country became involved in difficulties with the German Nation, I called the attention of the House to the attempt of the Bata Shoe Co., of Czechoslovakia, to come into this country and secure special privileges for the establishment of their factories here. I pointed out that the practices of this company were in violation of the American way of life and that this company was acting as an agent for the Nazis. There were many who sought to secure a special privilege for this company. Some in high office made every effort to persuade the American people that this company had a more advanced technique than the American shoe industry and therefore should be given special consideration to ease their admission into the United States. Fortunately all of these efforts were defeated and I rise to point out to the House that reports from Czechoslovakia state that—

Mr. Jan Antonin Bata, one-time shoe-industry king, went on trial in absentia today on charges of wartime collaboration with the Germans. His lawyer, contending that Bata was now a citizen of Brazil, was overruled by the court.

Mr. Speaker, I bring this up at the present time to show the tremendous importance of keeping from coming into our country those persons who are try-

ing to destroy our way of life, those who are aliens to our way of life—the importance of enforcing our immigration laws. I succeeded in preventing the coming into this country of 500 Czechoslovakians under the guise of instructors, and so forth, in the Bata shoe factory. I succeeded in having a number of the 80 persons who had come into this country illegally under the pretense of being instructors and necessary to instruct the men in the manufacture of shoes deported.

Mr. Speaker, the operations of this concern was very much to the detriment of American labor. Afterward I was instrumental in preventing the exploitation of our children at the Belcamp, Md., plant of the Bata Co., where they were taking over children in child slavery.

At the beginning I did not have the cooperation of the administration, but in the end I did have their full cooperation and the private files on the Bata Shoe Co., Maryland, of the Department of Justice were turned over to me.

Mr. Speaker, I include as part of my remarks a speech I made on June 30, 1940, some remarks in Hide and Leather and Shoes, volume 97, No. 22, June 3, 1939, and also an article appearing in the New York Times of Tuesday, April 29, 1947, as follows:

THE BATA CO.

(Speech of Hon. EDITH NOURSE ROGERS of Massachusetts in the House of Representatives, January 30, 1940)

Mrs. ROGERS of Massachusetts. Mr. Chairman, in view of the fact that the Biggers unemployment census shows approximately 34,000 boot and shoe workers totally unemployed and 15,000 boot and shoe workers partially unemployed, and the fact that the Canadian plant of the Bata Co. is operating with 225 Czechs and only a few Canadians, it seems to me it is very important for us to look over the activities of the Bata Co. insofar as it concerns the welfare of the people of the United States.

I have here a number of pamphlets from the Department of Commerce which show very clearly that Mr. Bata has disrupted the boot and shoe industry in every country in which he has opened plants. I also have some pamphlets showing pictures of the workers, and they are obviously quite young children, demonstrating what that concern would do to our labor market and to our older workers.

I also have a pair of shoes in my hand advertised as made in the Belcamp, Md., shop, which retail at $1.99. I have the advertisement of those shoes and the bill of sale. If you will look at the shoes, you will find they are out of line so far as the heel and toe are concerned. They are simple and of inferior quality, but a temptation for people to buy.

A little over 25 years ago several shoemakers came to this country to study American shoemaking methods. They worked for various periods of time in various shoe districts throughout the United States. Since returning to Europe they have repeatedly claimed that they have copied and followed American shoemaking methods. Today we have the strange experience of having these same workers return to the United States to teach American shoe workers shoemaking methods and techniques.

Of course, to anyone familiar with the shoemaking industry it is apparent that I am speaking of the Bata Shoe Co., of Zlin, Czechoslovakia. The name Bata Shoe Co. has become increasingly familiar to the American shoe industry and those connected with it. And now, because they have come into our midst, I think it would be highly desirable to cut through the fog and confusion that has been created regarding their activities and see what the true facts are regarding this company's development in the United States.

I may say I have checked very carefully the facts I am about to present to you today, so I am sure of the truth of what I am saying.

The Bata Shoe Co. first began extensive activities in the United States in the late twenties when it began the importation of the McKay type shoe in large quantities. This importation was the beginning of a well-planned development of this company's activities here. Soon thereafter the company established the Bata Shoe Co., Inc., in New York and began the establishment of a retail chain of stores in the Midwest, centering around Chicago, Ill.

These stores were in competition with American shoe shops which sold a line and grade of shoe acceptable to the American consumer. In order to satisfy the same demand, it was necessary for them to purchase shoes from the American manufacturers in the domestic market. This was due to the fact that the Bata Co. was forced to pay a 20-percent tariff on all shoes imported into the United States. Twenty percent of a $1 retail pair of shoes was only 20 cents and could be absorbed by the low wage and labor cost which they paid in their foreign factories. It was not as easy for them to absorb 20 percent of their $5 shoes which amounted to as much as $1. Therefore, they purchased the more expensive shoes for their domestic market and imported their cheaper shoes from their foreign factories.

But the domestic manufacturer from whom they purchased their medium-priced and expensive shoes was constantly hard put to it to obtain their orders because subtle propaganda was constantly being spread that "Bata is about to establish a factory in the United States." And it was no coincidence that these recurrent rumors appeared most strongly just prior to the time that the style shows were to be held, at which contracts were to be signed for shoes for the coming season.

Thus for many years in the past decade the American shoe industry and the American shoeworkers have seen the growth and development of Bata's retail chain of stores and at the same time have heard recurring, persistent rumors that Bata and all the dire things he represents to them is about to be brought to the United States.

The rumors served their purpose. The manufacturers, in order to gain an immediate order, would repeatedly cut their cost at labor's expense and justify themselves with the claim and thought that "if we don't accept this order at a reduced rate, Bata will establish his factory here and provide a more serious and more threatening competition than he does now."

The workers in the shoe industry were told each period after style season that they must once again accept a cut in wages if they are to prevent Bata establishing here and throwing the whole shoe industry into chaos.

It was because of these contacts with the Bata Shoe Co. and knowledge of their methods, that the shoe industry opposed so violently the special concessions given to this company in the reciprocal-trade treaty between Czechoslovakia and the United States. At the hearings held in connection with this treaty it was brought out especially by the trade-union representatives, that while they had every sympathy with the democratic government of Czechoslovakia, they opposed these concessions for the shoe industry, because the Bata Shoe Co., representing the only major shoe manufacturer engaged in export to the United States would be the sole beneficiary of this section of the treaty. Anyone who has checked up on the methods and labor standards of this company, as I shall develop at greater length shortly, would agree that this company and its methods was not in sympathy with the true democracy and the progressive methods of government of their country. It was for that reason and for that reason alone that we, who are familiar with the shoe industry and its problems, so strongly opposed the shoe section of that reciprocal-trade treaty. We cannot help feeling, to this day, that our cause was prejudged and that our explanation and facts were given little consideration when the negotiations were concluded.

The treaty would have permitted the importation into this country of some 6,000,000 pairs of shoes, or up to one-quarter percent of the total production of shoes in this country. However, as the opposition pointed out at the time, these shoes, consisting almost solely of cemented women's novelty shoes, constituted a much larger percentage of that class of shoe production, and due to the low-price factor became an important pace setter in that branch of the shoe industry.

Unfortunately, both for the Bata Shoe Co. and our own State Department, as well as for a number of other groups and the peace of the world, Hitler had other plans. In the fall of 1938 Hitler took over the Sudetan lands, and on March 15, 1939, occupied Bohemia and Moravia, thus absorbing both the home plant of the Bata Shoe Co. in Zlin and the basic establishments of the industrial empire of the Bata Co., which were located in the absorbed territories. The direct effect of all this on the Bata Shoe Co.'s plans in the United States was that imports from the home plant in Zlin had to be marked "made in Germany." All the confusion and representations of the Bata Shoe Co. that they no longer had control of the company's properties in the protectorate of Czechoslovakia have since proven false, but at that time and until the late fall of 1939 efforts were made here in Washington, in Czechoslovakia, and Berlin, Germany, to evade the 25-percent countervailing duties imposed upon imports of German products by the President on March 18, 1939.

This action by the President cut off imports from Zlin and hampered the plans of the Bata Shoe Co. for their development of a much larger chain of retail stores than they already had established here. At first they attempted to provide the deficiency by increasing their imports from their factories in neutral countries, such as the Netherlands, but found difficulty in overcoming the tremendous problems created by shipping difficulties due to naval warfare and the sinking of allied and neutral shipping.

These problems gave incentive to the speeding up of the developed plans for the establishment of a factory in the United States, and by April 7, 1939, in the Hartford Democrat and Aberdeen Enterprise, published in Aberdeen, Md., you will find the following paragraph:

"It is understood that recent developments in that country since its invasion by Germany have brought to a head plans for the construction of a similar plant in America."

On April 28 the same paper carried the definite announcement that the Bata plant was to be constructed at Belcamp, Md.

Actually the Bata Co. had planned to establish its American factory at Belcamp as early as the summer of 1934 and late that September made arrangements that the new Philadelphia road pass through its property. They later paid the Maryland State Highway Commission $11,000 for this arrangement. Meanwhile they had arranged for special consideration from local officials and followed this up with a petition to the Immigration and Naturalization Service of the Department of Labor requesting the Department to permit the Bata Co to import 100 citizens of Czechoslovakia to "employ these persons as instructors in the making of shoes in accordance with the particular methods and in the operation of the special type of shoe machinery which will be used by the petitioner

in its new factory." The petition was based on the allegation that the machines used by the Bata Shoe Co. were different from machines used in a comparable American factory. Likewise, the petition claimed that 5 or more years' experience in the Bata factory in Zlin was necessary to develop the skills required to teach their "peculiar" methods.

Mr. Chairman, may I say that the machines seem to be exactly like the machines in use here and that may be secured in this country. May I also state that the work can be done by our own already well-trained boot and shoe workers. May I state further that the Department of Labor in making an investigation of the Bata plant at Belcamp, Md., found that only a small number of the Czechoslovakian instructors were needed to in any way carry on the work. I have here a table showing the ages of the so-called instructors on behalf of whom request was made for permission to enter this country. One was 16, two were 17, two were 18, four were 19, and nine were 20, and so on. These were all brought into the country as instructors.

Age distribution of Czech instructors imported by Bata

Age	Number	Date of arrival					Cumulative total
		Aug. 10	Aug. 11	Aug. 17	Aug. 28	Sept. 9	
16	1				1		
17	2					2	3
18	2				2		5
19	4	1			1	2	9
20	9			2	3	4	18
21	5			1	1	3	23
22	6	1		1	1	3	29
23	2	1				1	31
24	1					1	32
25	6	1		2	2	1	38
26	1				1		39
27	4	2	1	1			43
28	3	2			1		46
29	1	1					47
30	2	1		1			49
31	1			1			50
32	2				1	1	52
33	3					3	55
34	5	4		1			60
35	3	1		1		1	63
36	2	1				1	65
37	3	3					68
38	1	1					69
39	1					1	70
40	1	1					71
Total		21	1	11	14	24	

It is possible that the Department of Labor had no way of making an immediate check upon these claims, though I am informed that within the Department were three experts who were familiar with Bata methods, at least two of whom had visited the Bata plant at Zlin. Also, the Department of Labor could have made use of the knowledge of experts in the Department of Commerce, the Tariff Commission, and the Treasury Department, who had familiarized themselves with the methods and business techniques of the Bata Shoe Co.

However, the Immigration Service did not consult these experts nor make any effort to determine the truth of the Bata Co.'s claims beyond the holding of a formal, perfunctory hearing in their New York office May 11, 1939, 1 week to the day after the petition was filed, and without any notice to the industry or the trade-unions who might have appeared and presented the full facts sought by the examining officer before the permit was granted. However, the Department saw fit to grant this permit after a hearing at which the only party represented was the Bata Co. through three officials of their American subsidiary. This hearing definitely established the fact that the Bata Co. had planned to establish a factory at Belcamp and that it took the "minimum of 5 years' experience at the Bata plant in Zlin before anyone could expect to serve the purpose that we wish to put these people to that are coming over."

Another important fact developed at this hearing was the answer to the question:

"Question. In the event it should be required, would your company be prepared to post bond to guarantee the departure of these persons from the United States?

"Answer. While we respectfully request that no bond be asked because of the amount involved and because of the fact that we are taking the responsibility for these people and are willing to guarantee their leaving on a certain date, I can say that if that was the only condition on which they would be admitted, then, of course, we would post the bond."

Though the officials of the Labor Department were aware of the bad faith shown by officials of the Bata Shoe Co., the Department granted the permit in a letter dated June 9, 1939. The conditions of this permit required the Bata Co. to furnish the Immigration and Naturalization Service with "the name of the alien, name of the vessel, the date and port of contemplated arrival, prior to each alien's applying at the American consulate at Prague for a visa and before departure from Czechoslovakia."

These conditions were immediately violated when, on July 6, 1939, some 23 employees of the Bata Co. arrived at Ellis Island without having fulfilled the above requirements of the permit and attempted to cover their entry into the United States by claiming that they were "visitors to the World's Fair." Each of the 23 admitted upon questioning that they were employees of the Bata Co.; that they were awaiting orders from Mr. Bata; and that they had such small sums as $40 as their total cash assets. I am amazed at the effort of this company to legalize later the entry of these aliens by attempting to negotiate with the Immigration Service for the permanent entry of "25 chemists, inventors, engineers, executives, and experts in the manufacture of products by the company Bata." The Department sidestepped this request by pointing out that the immigration laws required "the procurement of a consular immigration visa from the Department of State." As late as November 13, 1939, 7 of these 23 were still in the United States, although they had been granted visitor's visas for a 60-day period only, beginning on July 6, 1939. Two of the 7 applied for extensions, leaving 5 in outright violation of their visas as visitors, and with no effort made to obtain legal extension or entry. Is it possible that the Bata Co. feels that it is above complying with American law?

The Bata Co. further violated the conditions of the permit of entry of June 9, 1939, by claiming that the permit granted for 100 did not include as separate individuals the wives and adult children of the so-called instructors, who were permitted entry by the Department of Labor.

After extensive, lengthy negotiations between the Department of Labor and counsel for the Bata Co., the company was permitted to bring wives and children into the country on visitors' visas.

At this point I would like to make clear the fact that we no longer are involved with only 72 individuals, as the company's inspired publicity claims, but we have 7 World's Fair visitors, 44 visitors accompanying 72 so-called instructors, plus 26 executives and officials here as visitors on business, plus their families, servants, secretaries, chauffeurs, and so forth, a total of more than 200 here in connection with the Belcamp factory alone. The number of alien officials, executives, and workers here in connection with the retail stores in the Midwest, the new chain of retail stores in the East, and those in each of our possessions, including the Panama Canal Zone, the Virgin Islands, and so forth—the total number of individuals involved, I feel sure, would easily come to 500 or more.

Last autumn an attempt was made by Mr. Bata to bring 500 workers from Czechoslovakia in addition to the first request for the 100 so-called instructors. In conjunction with others, I worked very hard to prevent these alien workers from coming into the country and apparently we were successful in our efforts.

To me the most amazing fact regarding these aliens, in view of the company's claims of skill, is their youth. I refer you to the above table showing the age distribution of the so-called Czech instructors imported by the company. One expert admitted, Ludmila Rokytova, though listed as an official of the firm, was only 16 years of age. Others ranged through the adolescent years. One-fourth of the total were 20 years or younger. One-half of the grand total were 25 years or less. Look it over.

At what age were these experts employed by the Bata Co. to give them 5 or more years' experience, which according to the company's own petition for admission of these instructors, was necessary to develop the skills required to teach the Bata methods. Is it possible that this company employs such large numbers of youth in their plant at Zlin?

I have here in my hand a booklet published in three languages, including English, by the Bata Co. for distribution to visitors and those interested in the Bata system. On page 29 is a picture of a child learning to use the Singer sewing machine. This child certainly cannot be more than 8 years of age. It is plain from the picture and the caption below it that this child is learning skills involving the use of this machine. I now take up another booklet published by the same company entitled "Zlin, the Place of Activity," and find from pictures on pages 41, 43, and 47 that the use of the Singer sewing machine constitutes a vital part of the production system of the Bata Shoe Co.

It is beginning to seem to me that the claims of trade-union officials, in the hearings before the Tariff Commission, that their opposition to the concessions to the Bata Co. were based on low wages and the exploitation of youth were well founded in fact.

In the petition for the importation of the instructors the Bata Co. stated that their "experience convinces the petitioner that the best results can be obtained by employing young men and women locally, paying them a comparatively high rate of wages."

And then gives the real reason for their importation by continuing:

"Petitioner believes this plan will accomplish better results than can be had by endeavoring to recruit its force from among experienced shoemakers who are not acquainted with the Bata methods."

The company proceeded to follow its plan along this line and early last summer—

"Every member of the 1939 graduating class of Hartford County high schools received a card inviting applications for employment. Soon thereafter, the invitation was extended to 1938 and 1937 graduates."

Thus the company kept the implied promises of Mr. Bata, who when dedicating the laying of the cornerstone said, "I intend to employ no one except high-school graduates and to educate them in my methods"—copied for the most part from American mass-production methods.

Mr. Bata thus absorbs a small section of American youth, but he completely throws on the industrial scrap heap all American shoe workers now unemployed and those who will thus be displaced by the so-called economies of his system.

His statement, just quoted, claims that his system is an adaptation of American mass-production methods, so we should look at those methods to see what they produce.

In the newspaper article already referred to in the Sunday Star of November 19, 1939,

there is the following quotation regarding Mr. Bata's methods:

"These methods are an adaption of the conveyor-belt system perfected in the automobile industry. Rawhides and other materials begin at the top of the building and flow endlessly down and around from floor to floor, past the benches of workers, who have each one a small task to do in the making of the finished shoe.

"One man polishes the leather of the hide. Another cuts the uppers; another cuts the caps; another inserts eyelets; another turns the welt; another sandpapers heels.

" 'And it is fast,' declared an 18-year-old girl, a graduate of Havre de Grace High School last year.

"They assigned me to brushing polish around the edge of the sole and they gave me a whistle.

"RESULTS FROM A WHISTLE

" 'If you can't keep up with the shoes going past on the belt,' they said, 'blow the whistle. The belt will stop till you catch up.' I managed to keep up with the belt all morning, but in the middle of the afternoon I fell behind. So I blew the whistle. All of a sudden it seemed as if about 20 instructors were around me, shouting instructions in Czech and German and English.

"I vowed right then that I would never blow that whistle again—not even if the factory blew up."

It is obvious from this article that the Bata system has adopted the technique of the American mass-production system without the social viewpoint and humane methods of the American use of that system.

This same article points out that these youngsters were employed at the minimum wage required by law. The Bata Co.'s petition for the admission of these so-called instructors alleged that the best results could be obtained by employing young people and paying them a comparatively high rate of wages. Does Mr. Bata think that the minimum established by law is a high rate of wages?

The report of a memorandum by the Immigration Department officials in regard to the second investigation of the Bata Shoe Co., conducted late in November 1939, contains the following:

"Although the petition mentioned above also alleged that the best results could be obtained by employing young men and women locally and paying them a comparatively high rate of wages, it should be stated that the greater part of these new workers are being paid the minimum wage prescribed by the Wage and Hour Division of this Department—30 cents an hour, or $12.60 per week, with a social-security deduction of 13 cents."

In addition, this alien concern is not complying with the minimum-wage standards established by this Congress. In a civil action brought before the District Court of the United States for the Northern District of Illinois, the Wage and Hour Division charged the Bata Shoe Co. not only with failing to pay the minimum required by law, and failing to pay overtime for hours worked beyond the maximum set for the regular rate by law, but this company likewise, which seeks special favors in our midst, was charged with and later admitted, by a stipulation dated December 19, 1939, the full essence of the complaint. For the short period of 1 year under which we have been operating under the act, this company, to bring itself under compliance with the act, made restitution of $7,000 in wages to 65 of its employees in Chicago.

I am reliably informed that the company is also violating the provisions of the wage-hour law in its plant in Maryland. Trade-unions, representing a number of employees in that plant, have filed complaints with the Wage and Hour Division recently. They were informed that an investigation would be instituted by the Wage and Hour Division, if and when further violations were found in this plant. It seems to me that this visitor in our midst is certainly abusing the hospitality which has been shown him. It is time the administrative agencies of Government required strict adherence to the spirit and letter of their regulations before conceding further favorable administrative decisions to the Bata Co.

The experts and officials of the Department of Labor who have made a thorough study of the methods of this company, of their machinery, of their technique and business methods, have required the company to reduce its alien staff of instructors to a maximum of 10. This ruling was made after a full, fair consideration of all the facts, and all the allegations of the company in its original petition. Now, instead of complying with the regulations of the Department, powerful interests in the State of Maryland, apparently at the request of the Bata Co., are bringing pressure upon the Department of Labor to change its ruling.

In behalf of the American shoe industry, I urge the Department of Labor to stand by its determination in this matter, and I urge the Members of this House to investigate the facts regarding the Bata Co. before they associate themselves in the efforts in its behalf.

You should know the tremendous harm which the methods of this company will work on our already trained boot and shoe people, when the Biggers unemployment census shows that 34,000 boot and shoe workers were totally unemployed and 15,000 were partially unemployed. It also works a tremendous hardship on all labor.

* * * * *

Mrs. ROGERS of Massachusetts. Mr. Chairman, I want to give you a few more facts about the Bata situation in this country. Let us have an open investigation of it. I would welcome it. I know the workers would welcome it and the industry would welcome it. Let us face the facts for a minute. Let us look over the whole activity of this company in this country.

I want to show you again that Mr. Bata violated his agreement in allowing these people to come into this country. I also draw your attention to an issue of the New York Times, in which it is stated that Mr. Bata wanted to buy a textile mill in this country. He wanted a loan from the Reconstruction Finance Corporation, according to the newspaper story, and the Reconstruction Finance Corporation refused that loan because Mr. Bata would not promise to employ American workers.

Let us also face the facts that Mr. Bata later requested that an additional 500—not 100, but with it 600 in all—Czechoslovakians be allowed to come in sometime during last autumn. Five hundred workers would mean their families also, of course; not 100 but 500. That would make 600 that the request was made for, of Czechoslovakian workers, together with their families, to come into this country.

The following is an article in a St. Louis paper on Monday, November 6, 1939, by Mr. Drew Pearson and Mr. Robert S. Allen:

"THE WASHINGTON MERRY-GO-ROUND

"(By Drew Pearson and Robert S. Allen)

"CZECH SHOE LABOR

"The Labor and State Departments have been up against a tough problem recently with the demand that 600 workers and executives of the famous Bata shoe factories of Czechoslovakia be permitted to enter the United States.

"Jan Bata, who has done to shoes what Ford has done to automobiles, is setting up a new factory in Harford County, Md., just north of Baltimore. To start the factory he asked for the admission of 100 Czech workers. This roused terrific opposition from both CIO and A. F. of L. shoe unions.

"However, Bata had the support of Senator TYDINGS, of Maryland, whose law partner, Maj. Robert Archer, was arranging for the purchase of Bata's land in Maryland. TYDINGS wrote several vigorous letters to the Labor and State Departments demanding entry of the workers, and they finally consented that 100 workers be admitted temporarily.

"This has aroused the vehement opposition of some of Senator TYDINGS' colleagues, notably Senator Walsh, of Massachusetts, Senator Davis, of Pennsylvania, and Representatives Treadway and Edith Nourse Rogers of Massachusetts. They have protested that the admission of shoe workers seriously hurts shoe labor in the United States.

"Despite all this, Bata has just asked to import 500 additional personnel into the United States, and Senator TYDINGS made a personal call upon Secretary of State Hull to urge their admission. Specifically, he urged that the immigration laws be waived to admit these 500 in one lump. He urged this on the ground that this group consisted of shoe executives, chemists, and specially trained men, who would not interfere with American labor.

"United States labor unions, however, again objected, and even more strenuously. They pointed out that the families of the Bata people also would be admitted, which meant nearer 2,000 rather than 500. They also pointed out that Bata was the Henry Ford of Czechoslovakia; that he manufactured a cheap product which undersold American shoes; and that it was impossible for labor to organize his plants.

"Secretary Hull, faced with Senator TYDINGS' plea, consulted his chief of the visa office, Avra Warren, who advised him that if Bata wanted to shift his executive offices to the United States, it should be done through routine channels. Warren urged that if Bata really wanted to set up factories permanently in the United States, his men should get permanent visas, not be given temporary visas.

"He pointed out that the Nestlé's Chocolate Co. was planning to move to the United States to avoid the war; also, the Belgian mines offices and the Belgian diamond cutters. Warren argued that the transfer of Bata permanently to the United States would enrich this country, and that any immigration visas granted Bata should be on a permanent basis.

"Accordingly, the State Department has ruled that the Bata people may receive regular, not temporary, visas if they are able to comply with the requirements of the law."

I am fighting for American jobs and not for jobs for people over there. Our duty is to find employment for the people here.

I know that the gentleman from Nebraska [Mr. STEFAN] is working for his farmers; I realize that, because he is always working for his farmers, and also I know he does not comprehend the very great danger in allowing hundreds of trained aliens to come to this country to compete with our unemployed.

I would like to tell you further that although the officials of the Labor Department were aware of the bad faith shown by officials of the Bata Shoe Co., the Department granted the permit in a letter dated June 9, 1939, but then later withdrew it.

I repeat that Mr. Bata violated the conditions of the permit of entry immediately, for on July 6, 1939, some 23 employees of the Bata firm arrived at Ellis Island without having fulfilled the requirements of the permit, and attempted to cover their entry into the United States by claiming that they were visitors to the World's Fair. Each of the 23 admitted upon questioning that he was an employee of the Bata Co. and that he was awaiting orders from Mr. Bata. They had such small sums as $40 as their total cash assets.

Again I want to say that I am amazed at the effort of this company to legalize later

the entry of these aliens by attempting to negotiate with the Immigration Service for the permanent entry of 25 chemists, inventors, engineers, executives, and experts in the manufacture of products by the Bata Co.

As I stated before, the Department seemed to sidestep this request by pointing out that the immigration laws required the procurement of a consular immigration visa from the Department of State. As late as November 13, 1939, 7 of these 23 were still in the United States, although they had been granted visitors' visas for a 60-day period only, beginning on July 6, 1939; 2 of the 7 applied for extension, leaving 5 in outright violation of their visas as visitors and with no effort made to obtain legal extension or entry.

I also want to emphasize again the fact of the employment of young and inexperienced workers, that they could not keep up with Mr. Bata's method of production. Our methods are better. Our workers are better. They are citizens of the United States. My ambition and purpose is to fight for their protection.

[From Hide and Leather and Shoes of June 3, 1939]

POSTPONE BATA MEETING

The Shoe and Leather News, London, reports that the extraordinary general meeting of the Bata Co., of Zlin, has been postponed from May 2 to a probable date late in June or early in July.

The writing down of the company's share capital was to have been finally settled at this meeting, and one of the reasons surmised for the postponement is the present impossibility of clearing up the question of exports and sources of raw materials.

Although the Zlin factory is now presumably in control Jan Bata under agreement with the German government, the News says it is considered likely that the plant will in the future be used in increasing measure in the interests of the Reich to supply domestic and foreign markets with cheap footwear.

[From the New York Times of April 29, 1947]

CZECHS BEGIN BATA TRIAL

PRAGUE, CZECHOSLOVAKIA, April 28.—Jan Antonin Bata, one-time shoe-industry king, went on trial in absentia today on charges of wartime collaboration with the Germans. His lawyer, contending that Bata was now a citizen of Brazil, was overruled by the court. Edvard Valenta, a journalist, testified that Bata had declined to permit his branches around the world to be used as resistance centers.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial appearing in the National Tribune of Thursday, May 1, 1947, entitled "There Is Danger Ahead," which points out that legislation having to do with disabled veterans must be a continuing matter, and not a spasmodic one.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House the gentleman from Washington [Mr. HORAN] is recognized for 30 minutes.

APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR

Mr. HORAN. Mr. Speaker it would appear that almost every conceivable argument on one side or the other had been exhausted in the course of last week's debates on the bill for appropriations for the Interior Department.

Yet, upon reading over the RECORD of those debates and upon further study of the hearings held before the Subcommittee on Interior Appropriations, it strikes me as increasingly evident that many Members on both sides of the aisle still do not have a full understanding of the facts about western reclamation and power-development projects. All of you, of course, are fully aware of my personal, intense interest. It also appears to me to be evident that many assumptions were made in the course of the hearings—and that these assumptions were reflected in the marking up of the bill—which are not fully clarified by the facts as deduced and concerning which the subcommittee, for one reason or another, did not obtain accurate and sufficient information.

Mr. Speaker, I hope that we can be able to reconsider, in calmer reason, three phases of our present-day reclamation and development program.

The first of these is the proper place of western reclamation in the over-all program of governmental activity.

The second phase that bothers me is the maintenance of a fiction that money expended on western reclamation projects is a subsidy granted to westerners for purely political purposes, rather than because of any valuable contribution to the national wealth.

The third, Mr. Speaker, is the general impression on the part not only of Members of Congress but of leaders of the administration itself that the residents of the area surrounding a development project do not contribute their share toward the cost of such development.

In the course of these remarks I hope to shed some light on each of these three subjects in the hope that they may provide our further considerations with a justification for correcting the Interior Department appropriations and providing for a workable schedule of progress on projects now under construction.

I shall have to base the bulk of my remarks on the two activities of the Interior Department which come most directly within the scope of my interests—the Reclamation Bureau's Columbia Basin project and the Bonneville Power Administration. I think I am making a very fair assertion when I state that, to a great extent, the proper and orderly development of the Columbia River Basin and of the Northwest itself are largely dependent upon the early completion of the essential tasks being carried out by those two activities. They already constitute a tremendous Federal investment and the return of that investment to the Treasury depends entirely upon completion of the projects.

Mr. Speaker, on Wednesday of last week I introduced into the House of Representatives a resolution which, in effect, calls upon the administration and its Chief Executive to remove the freeze order of last August 2 and carry forward all projects connected with reclamation, river and harbors work, and flood control, for which the Seventy-ninth Congress and the previous Congresses have authorized funds.

I introduced my resolution, House Joint Resolution 177, and I am pleased to note that I have been joined in that purpose by a number of my Republican colleagues, for the purpose of calling the attention of the administration and of the Nation itself, to the fact that, since the end of World War II, the United States Government has already allowed millions of dollars to slip through its fingers and lost further millions of dollars worth of vitally needed agricultural and industrial products as a result of its failure to give a consistent green light to the construction of reclamation and power projects in virtually every part of this country which are so badly needed to support our expanding economy.

Being specific—in my own State of Washington—a direct result of the now famous Truman freeze order has been a crippling and growing shortage of electric power upon which many industries depend as their source of prime energy. Industries in that State could have today been using that power for the purposes of converting our western raw materials, timber, aluminum, clay and the like into wallboard, plaster, and the various construction materials we so directly need for the veterans' housing.

This, Mr. Speaker, is only a slight example of the type of short-sighted economy we are practicing if we accept as final the form of Interior Department appropriation bill which was passed by the House last week.

On the second day of House debate on the Interior bill last week I noticed an editorial in a local morning paper which in effect said that these cuts on western development were all right. It quotes the subcommittee's report that "perhaps in no other appropriation bill is there greater opportunity for sound economy and Government spending than in this bill."

I recall the reaction of this same morning paper to a suggestion of mine a month ago. At that time, before a joint subcommittee of these two Houses, the fiscal condition of the District of Columbia was being aired. Before us then and now was a budget for the District of Columbia that was some $20,000,000 out of plumb. I was very seriously taken to task for suggesting that there were other avenues of revenue raising and expense reduction than the Federal contributior which should be seriously considered.

This same paper that today thinks that western development is not necessary was quite caustic in its comments when I indicated that the raising of the Federal contribution was not necessarily the answer to the District of Columbia's problems.

And so I conclude that it merely depends on one's opinion.

Last week, out in the State of Washington, I attended the funeral of our late colleague, Fred Norman. Last Wednesday at noon I left Spokane and flew westward. In my lap as I flew over the Columbia Basin project was the morning newspaper. One headline read, "Chinese to request a billion-dollar loan"; another headline read, "House today considers $350,000,000 loan to Europe"; another read, "Senate yesterday voted $400,000,000 to Greece." As

I looked down upon the Columbia Basin project and northward to Grand Coulee Dam, I recalled another item in the President's budget—the State Department. In 1941 it received $21,000,000. This item for 1948 is swelled to a total of $276,000,000. But that is not all: the total for all of our activities in the field of international politics in the President's budget for 1948, as it sets today, is $2,800,000,000.

Now I draw no conclusions from that total sum. I do not now criticize that total sum. But I do want to point out that what is in the President's budget is not all. For the $200,000,000 aid to Europe and the four hundred million gift-loan to Greece are outside of that total and so our entire activities involving foreign nations will be better than $3,500,000,000. Furthermore, we are told that $100,000,000 of the Greek loan is for reclamation and river development in that foreign country.

Compared to these sums, the Interior appropriation is a small item in the $37,000,000,000 budget before this House. The controversial items in the Interior bill are far less than one-half of 1 percent, and I submit that at a time when we are playing fast and loose for credits to countries abroad, it comes with rather poor grace for us to be restrictive and unreasonable with our western United States.

As I looked down upon that rich and arid land of central Washington, I recalled a speech I had made on the floor of the House when this bill was before us last year. I pointed out the need for completing this project as soon as possible in order that the time for repayment of the Federal Government's investment might be speeded up. We had the same argument before us then involving the carry-over of funds.

According to the Department's report, the construction schedule which I indicated in my speech last year has been carried out and the carry-over funds available for further construction on Columbia Basin as of fiscal June 30 will be $1,084,000. To carry on the construction schedule at the same tempo as last year would require for this project the total of $29,500,000. It is for this reason, of course, that those of us from the West have complained about the size of the item before us last week. For the amount allowed must mean the abandonment of many projects half completed. In that respect, I consider it highly significant that the President long since released all funds earmarked for Columbia Basin and Bonneville Administration construction, even while holding some other projects frozen. This should be an indication of the measure of importance the administration places upon those projects. That place of importance is fully justified, Mr. Speaker, by the fact the entire Northwest is dependent upon the completion of those projects as the key to their industrial and agricultural security.

I intend to touch upon that subject at length in a few moments. But at this point I want to emphasize this thought: The greatest argument for our participation on the grand scale in foreign affairs is that we today are the last remaining solvent capitalistic nation.

Our solvency, of course, depends upon our ability continuously to produce and, in that light, the people of the Northwest are begging us to recognize the value of the Columbia River developments as a distinct asset to this Nation.

Our future solvency depends upon the degree of imagination and enlightened self-interest with which we undertake the task of capitalizing upon the tremendous resources which are ours in this great country, so that we may continue to be the greatest producing, the highest consuming, the most truly progressive and dynamic country in the world.

No, Mr. Speaker, let us delve beneath the arguments and counterarguments that have been so liberally used in this matter and get at the facts of the case, as they relate to the Columbia Basin project and Bonneville Power Administration.

The general reason given for slashes in amounts granted by the House for development of projects during fiscal 1948 was that the President had not allowed the expenditure of the full amounts appropriated by Congress for this purpose last year. As I have previously stated, the Columbia Basin project was released from this "freeze" almost immediately, and, as of June 30, 1947, will have only $1,058,000 in carry-over funds. Almost all of this money has been expended in partial payment of contracts which extend over a period of years and the full amount requested by the Budget Bureau is necessary to meet the contractual obligations already made.

In spite of this fact, the Columbia Basin allowance was cut to $11,435,000, an amount little more than one-third of the budget request.

Now let us consider what kind of problem that action creates in the Bureau of Reclamation and specifically to the great Columbia River, more specifically, to the so-called Columbia Basin specific subprojects.

Irrespective of the amounts necessary to continue construction on the canals, Low Dam, Potholes Dam and pumping plant of the project, there is necessary an item of $6,000,000 to pay the annual progress payments on the construction of the six new generators for Grand Coulee Dam which the subcommittee report states were "scheduled for installation to meet the increased demand for power."

Mr. Speaker, with this small appropriation for the entire Columbia Basin project, the Bureau of Reclamation cannot hope to meet this $6,000,000 payment and those six generators almost undoubtedly will be placed 1 year behind schedule for their installation.

This, in effect, will mean that we will have a power dam—completed and in actual operation, generating and distributing power but the vital heart that makes it truly wealth-producing will have been left out and the total, cable energy which should flow over the transmission lines—which the bill authorizes to be built—will not be available. That, to me, Mr. Speaker, is a prime example of false economy.

Another item drastically reduced was for the operation and maintenance of the Bonneville Power Administration from $4,700,000 to $2,500,000. In its report, the subcommittee criticized certain activities of the Bonneville Administration and mentioned that it was eliminating funds or portions of funds used by those activities. The sum total of these criticized amounts could not be more than $700,000. I suggest that a reduction of $2,200,000 based upon an aversion to less than one-third of that amount verges upon emotion rather than reason. I am advised on responsible authority that the Bonneville Administration cannot possibly maintain an operating organization on a budget smaller than $4,000,000 for the coming fiscal year. To attempt operation on the amount scheduled to be appointed can only result in a serious loss to the Government through deterioration and lack of maintenance. This again is an outstanding item of questionable economy.

There is another cut which was made in the Bonneville Administration appropriation which grieves me very deeply. Mr. Speaker, one of the principal purposes in constructing these projects has been to bring the magic of electric power within the reach of millions of little people to whom private utilities have never been able to make it available. The subcommittee eliminated entirely the items amounting to $5,699,500 for construction of feeder line and capital additional substations which are necessary to make power available along rural electrification lines. REA lines serve the small farms and the so-called little people. To me they are vital. I must confess that I question the wisdom of the subcommittee's action. I sincerely hope our future action will keep faith with our farmers by restoring those lines and substations.

I now wish to address myself to the question of long-range economy in the event the proposed cuts are sustained in these projects. The amounts authorized for Bonneville Power Administration and Columbia Basin projects are less than sufficient to keep existing contractual obligations and maintain these projects at their present level. They make no provision for continuing the scheduled construction of these projects in line with the promises made to the people of the Northwest by the Seventy-ninth Congress last year on the occasion when it reduced appropriations below the amounts asked at that time.

Mr. Speaker, the promises made by the Seventy-ninth Congress for completion of these projects, according to a specified schedule, were accepted in good faith by thousands and hundreds of thousands of residents of the Pacific Northwest. They believed in the good faith of our assertions. Acting upon that good faith, they have invested their personal fortunes and their own futures in enterprises and industries which depend upon the completion of these projects on schedule. And, if Congress does not now keep faith with them, thousands of these individuals, among whom hundreds are veterans of this last and of the First World Wars, will lose their stake in the future of this country and may be forced to call upon this Government for relief, necessitated by the short-sightedness of those who would obstruct the development of our natural resources.

Mr. Speaker, I have taken the trouble to determine what the effect would be of slowing down the completion of Columbia Basin project to the extent necessitated under the proposed bill.

First, I should like to consider the effect upon the agriculture and rural economy of the area. Work now in progress on some $33,000,000 worth of construction and supply contracts for the irrigation features of the project would have to be reprogramed and work on a number of the existing contracts will have to be stopped. Experience has shown that the stoppage of work during the war years has caused an additional expense ranging from 20 percent to 30 percent of the estimated value of work involved.

This additional expense is the result of dispersion of organization, deterioration of materials, erosion of uncompleted work, the cost of protection on strategic projects and the like. These losses result in an unproductive cost to the water and power users of the projects of about $10,000,000 during the first year that this retarded schedule is in effect. Vitally required repairs to the Grand Coulee spillway bucket probably must be delayed with a resultant loss which is difficult if not impossible to evaluate because of the uncertainties of the erosion which might take place.

Consider the effect of this curtailment of program upon the general economy of the Northwest.

The Northwest has a power shortage on its hands at this moment and unless the Congress permits reasonable increases in generation and transmission this shortage will become more acute.

There are several reasons for this power shortage. The principal cause is the greater use of power among the established customers. Another cause is the unexpectedly large increase in industrial load in the postwar period. A third major cause is the regional lack of generating and transmission capacity. Private-utility companies have agreed that only the Federal Government is capable of financing the kind of construction necessary for harnessing that river.

More generating capacity could be quickly developed from Grand Coulee and the lower dams. Other dams such as McNary and Foster Creek are also possibilities but only for long range power supply because of the time required to build and equip the dams. Grand Coulee and the lower existing dams, already installed, have space available for 20 more generators. These represent the only hope in meeting the current power shortage. At Grand Coulee there is space for 12 more 108,000-kilowatt generators. Three generators are now being installed, three are being manufactured, and three are in the planning stage. These nine generators can relieve most of the power shortage up until 1950, but adequate appropriations from Congress must be made for the 1948 fiscal year to make this possible. The 1948 Interior Department budget estimate contains $27,500,000 to carry on the work for these generators and other work at Grand Coulee, but the House has granted only $11,435,000.

Leaving the power supply question for a moment, let us consider the effect of these nine generators on the finances of the country. The Grand Coulee Dam which was once scorned as a white elephant has proven itself as a supplier of needed kilowatts and is paying its own way. It is now paying back its cost ahead of schedule and would, if permitted, pay out still faster by completing the generator installation as quickly as possible. Nine additional generators would bring in $5,000,000 additional revenue yearly. It is difficult to understand how anyone could turn down as businesslike a project as this.

From both a power supply standpoint and a financial standpoint, full appropriation should be made for additional generators at Grand Coulee.

Without a transmission grid new generators would be useless as the power must be brought to the market. The grid not only serves to bring the power to the market but also provides more firm power by tying together the Bonneville and Grand Coulee plants. An additional capacity of from 100,000 to 150,000 kilowatts has been developed in this manner. The Bonneville Act directs that transmission lines be built by existing and potential markets. In the early days of the Bonneville project lines were built to potential markets which have subsequently developed into actual markets far beyond expectations.

With the present power shortage in the Northwest the building of lines to potential markets is out of the question. It will be well if the actual demand is taken care of. All the items in the 1948 budget of the Bonneville Power Administration are needed for actual loads and if the lines are not built, customers will be deprived of power. If the region is to be saved from an impending power brown-out attention must be given to the items covered herein.

Now, Mr. Speaker, I should like to dwell upon the question of economy of operation of our Government finances. I propose to demonstrate that the Government will actually lose money by failing to grant adequate appropriations for Columbia Basin and Bonneville.

The Government will lose very nearly the effect of 1 year's potential earnings from these projects and that amounts to quite a sizable sum—much more than the amount of the requested appropriation.

As two specific examples of direct loss of revenue to the Government resulting from failure to adhere to construction schedules on the Columbia Basin project, I would like to cite the Electro-Met magnesium reduction plant at Mead, Wash., and the aluminum reduction plant at Tacoma, both built by the Defense Plant Corporation during the war and both now standing idle for lack of power to operate them.

The Mead magnesium plant cost the Defense Plant Corporation $15,000,000. It is now appraised at more than $11,000,000 and two private firms have offered approximately that amount to take it off the Government's hands. The War Assets Administration was forced to reject those bids because there is not sufficient electrical power available to the area to operate it.

I would like to stress that the product of this plant is not in competition with any other part of the country. Magnesium is badly needed for many industrial purposes and no other section of the country can produce it as cheaply as the Northwest.

The cost to the Government of maintaining that plant in idleness is $60,000 per year. The Government could earn many times that amount by furnishing power to operate it at a profit to the taxpayers. The plant in operation would provide from 700 to 900 jobs, and the resulting return in income taxes would further help the United States Treasury. I shall not bother to outline the pyramided benefits to the Nation through taxes on fabrication and sale of the products from this one plant.

A similar situation exists regarding the aluminum plant at Tacoma. The contract held by Permanente Metals Co. with the Bonneville Power Administration guarantees firm power to this plant only if the six new generators at Grand Coulee are placed in operation on schedule. I am informed that the rate of construction at Grand Coulee authorized by the proposed appropriation would not only force at least a year's delay in the opening of this Tacoma plant and consequent loss of employment and strategic material but also would force closing down of one-sixth of the capacity of the same company's Mead aluminum-reduction plant.

These, Mr. Speaker, are but two concrete examples of the direct loss occasioned upon the economy of the Northwest and the Nation, as well as of revenue to the Federal Government, if the progress of this one project is slowed to the extent necessitated under the present bill. Allow me to repeat, if you will, that I am quite certain similar results will prevail in the case of most other projects affected, and I join with Representatives of the other Western States in their protests against such a reversal of policy, which cannot be described merely as foolish but as a stupid, if not malicious, effort to throttle western development at a great loss to the entire Nation.

Mr. Speaker, allow me to outline briefly what the suggested program will cost the United States Government for the period affected by a 1-year halt to new construction on the Columbia Basin and Bonneville projects alone.

The United States Treasury will lose $7,462,500 in revenues from power sales.

The price to the Government of constructing and installing the six generators at Grand Coulee will be increased by $1,150,000.

The added cost of programmed construction of transmission lines will be $560,000.

These are only the direct losses and do not include the value of interest payments on the entire Government investment to date. This interest must be paid for an additional year while Grand Coulee must sit with water going over the top of the dam which could be earning profits for the Government. The interest on this idle dam capacity would amount to some $420,000 for a year's delay in construction.

Let us consider briefly the indirect costs to the Government and to the economy of the region. The delay would have a tremendous effect upon the thousands of individuals, many of them ve-

erans, who have invested in the future of that project.

In addition to those thousands, there are more than 1,700 industrial establishments, mostly small businesses, which have investments at stake in these projects. They encompass some 48,000 wage earners and a total pay roll amounting to around $62,000,000 yearly. Failure of this Congress to keep faith with those people will result in loss of all the income taxes on those pay rolls to the Treasury. The value of the products they would manufacture would amount to more than $200,000,000 yearly—and the Government will lose all the excise, corporate, and other taxes on those enterprises if it fails to adhere to its schedule of construction.

So much for the economics involved in a considered opinion of H. R. 3123.

I should like to use the remainder of my time to comment upon the principles and the judgment concerned in the conclusions inadvertently arrived at last week as to the value of western reclamation in our over-all national economy.

I have been greatly disturbed in studying the hearings conducted before the subcommittee on Interior appropriations on this bill, at the amount of misinformation that crept into the record of the subcommittee hearings on various phases of the bill.

Besides the subject of the Presidential "freeze order" through which the administration rendered a most severe disservice upon the West and upon the Nation generally, the two principal ideas which seem to have been dominating the minds of those who wrote this bill have been that the power developed by the projects is created only through a subsidy on the part of the Government and that the residents of the areas surrounding reclamation projects contribute nothing toward repaying the cost of their construction. Probably the flood-control concessions prevalent in most of the eastern areas from which the majority of the subcommittee members derive, colored these preassumptions.

Mr. Speaker, both of these ideas are absolutely false and I propose here and now to dispel the doubts of any Member who still entertains such thoughts.

I say, Mr. Speaker, that the idea that the Federal Government subsidizes reclamation power and the industries which depend upon it dominated the thoughts of some committee members because it is obvious from the line of questioning and the comments of certain members all through the hearings that they believed that to be the case.

I may cite that portion of the hearings regarding the Hungry Horse project in Montana, in which Mr. Corette, of the Montana Power Co., charged that the aluminum industry in Oregon and Washington was being subsidized through cheap federally produced power—page 1446 of hearings—and I can find no record in the hearings of any attempt to determine whether that charge was true. In justice to the Hungry Horse project, and to all of the Columbia River projects, that charge should have been completely investigated.

On page 1030 of the hearings, the distinguished Representative from Iowa [Mr. JENSEN], a member of the subcommittee, is recorded to have stated:

> I am sure that everyone in this room knows that 2 mills per kilowatt-hour for power and $85 per acre for water just will not pay the bill under present conditions.

Mr. Speaker, there are other places in the hearings where similar statements have been made and it is quite apparent that a definite misunderstanding existed in the minds of some persons on this subject.

Naturally, it is disturbing to me that in view of such statements and such prevailing opinions, not one word of testimony was taken and not one question was asked, so far as I can find in the hearings, to determine whether there was any actual truth in that impression.

It is even more astounding, Mr. Speaker, to think of this in the face of the fact that there is on record complete proof to the contrary, namely, that the construction cost of the Columbia Basin power features are self-liquidating, and that they are earning for the Government, even at this time, an amount in excess of that necessary to pay off their share of the cost of this project within the time specified by the Congress and the Secretary of the Interior.

This subject was raised 2 years ago in hearings on this same question. In order to clarify the matter I asked the Secretary of the Interior to determine whether the charges were true that Columbia power rates were too low to repay the cost of building the project and that Northwest industrial and rural users of electricity were being subsidized by the Government.

The Secretary of Interior caused to be made a complete study, conducted by an experienced private accounting firm, to determine the answer to that question.

On February 12, 1946, as shown on page 1248 of the CONGRESSIONAL RECORD, volume 92, part 1, I appeared before this House and presented a report on repayment of operating expenses and construction costs of the Bonneville Power Administration, the Bonneville Dam project, and the Columbia Basin project. This report was made as a result of my request to the Secretary of Interior dated July 6, 1945. It showed that these three projects will pay back to the Federal Treasury all construction costs, operating expenses, replacement costs, and interest on the power-facility investment. Now that a year has gone by the Bonneville Power Administration has issued a supplemental report bringing up to date the original report by including costs and revenues actually experienced during the year. I would like at this time to present briefly the highlights of this supplemental report which shows that the past year's operation has been more favorable than forecasted in the original report, or in other words, the original report was on the conservative side to the extent of $28,000,000.

POWER REVENUES

Revenues from the sale of power have materially exceeded the 1946 forecast. Instead of the $11,573,312 power sales predicted for 1947, $20,389,500 is now indicated from this source. This is due to quick recovery of postwar industrial loads. In addition, the loads of distributors have increased very rapidly. These increases in load will not only affect the current year but will benefit revenues up until 1953. The new estimate is more than $28,000,000 over the old forecast for the years 1947 to 1952, inclusive. It is estimated that beginning in 1950 complete sale of Bonneville-Grand Coulee power in the amount of $25,590,000 per year will be realized but only if the Congress appropriates funds to complete the installation of the nine additional generators. Therefore, it is evident that it is good business from the standpoint of the Treasury to accelerate Grand Coulee generator installations.

TRANSMISSION INVESTMENT

A saving has been made in the total investment in the Bonneville transmission system as it will be when completed in 1956. The original pay-out report estimated this investment at $168,332,747. The figure is now reduced to $156,510,716. This reduction is made possible by a shift in the location of power loads. The analysis last year estimated that 97,500 kilowatts would represent the loss of the war industry load at Spokane. This has been regained and the power used at Spokane during the war will not have to be remarketed in the Puget Sound or lower Columbia areas. Actually the aluminum reduction plant and rolling mill at Spokane are back into full capacity operation and are being served over the same lines that were used during the war. This eliminates the need for an equivalent number of new lines to Puget Sound and to the lower Columbia.

COLUMBIA RIVER BASIN PROJECT

The total expense of this project to be met from power revenues for the entire pay-out period is estimated at $665,044,190 instead of $660,636,190 shown a year ago. The increase is entirely in the early years from 1946 to 1950. The increases occur in operation and maintenance and replacements due to current price increases. Decreases are shown in interest as a result of greater repayments in the earlier years of the schedule. The net increase in expenses of $4,408,000 for the whole pay-out period is more than offset by greatly increased revenues than was anticipated in the 1946 pay-out report.

THE PAY-OUT SUPPLEMENT FOR 1947

The first supplement to the pay-out report reflects increased costs due to higher prices but on the other hand shows a marked increase in power revenues due to the high level of business activity in the postwar period. The increase in revenues more than offsets the increase in expenses with the result that the three projects are in a much better position than last year. The total power revenues available for complete repayment of all the project costs and legal interest are estimated at $1,898,543,577. These revenues are allocated as follows:

Columbia Basin project	$365,044,189
Bonneville Dam project	178,716,392
Bonneville Power Administration	860,968,056
Total	1,704,728,637

The difference of $193,814,940 is the surplus which is estimated at the end of the pay-out period after all costs have

been paid including interest at 3 percent on the power investment. The $665,044,189 shown above as applied to the Columbia Basin project is broken down into the following components covering the full repayment period:

Power investment	$118,622,815
3 percent interest on power investment	63,994,870
Operation and maintenance of power facilities	142,908,707
Replacements of power facilities	70,856,428
Irrigation subsidy	233,141,793
River regulation	35,519,577
Total	665,044,190

Since preparation of the original pay-out report the Bureau of Reclamation has reestimated the construction cost of the Columbia Basin project at $581,021,000 due to increase in current price levels. The supplement to the pay-out report retains the original cost estimate of $506,459,180. The difference, amounting to $74,561,820 can easily be covered by the $193,814,940 surplus. Of the total construction cost of $581,021,000, $425,878,608 is to be used for reclamation alone. Three hundred and seven million seven hundred and three thousand six hundred and thirteen dollars of power revenues are used toward paying off this irrigation cost. In other words, 72 percent of all the reclamation cost is paid by the power users and 28 percent by the water users.

This pay-out supplement demonstrates even more forcibly than the original pay-out report which I presented last year that power revenues at the $17.50 per kilowatt-year rate will pay all costs including interest on the power investment. The surplus of $193,814,940 compares with the surplus of $160,629,947 for last year, which was shown in the table on page 1250 of the RECORD, volume 92, part 1. This pay-out supplement is designed to answer all questions as to the ability of the projects to pay out. I believe the subject has been covered from every angle in the report. I hope it will clarify the misunderstanding that exists in some quarters to the effect that the $17.50 rate must be raised to pay out. The report shows conclusively that this is not the case.

Mr. Speaker, since the date of issuance of the first pay-out study a year ago, there has never been a challenge made as to its validity. I cited the study in hearings before the Public Lands Committee recently and it went unchallenged. It has not been challenged because it is eminently correct and all statements to the contrary are unfounded.

The other prevailing impression which appears to have adversely affected proper consideration of these projects is that the residents of cities and towns surrounding project areas contribute nothing toward repaying the cost of those projects.

Mr. Speaker, I fail to understand how anyone can blandly state, on the one hand, that property values, production of agricultural and other products, industrial activities, taxable pay rolls, corporate profits, and all other factors of economic life in a community will be increased through the development of a reclamation project and still naively hold that the persons who benefit from those increased values contribute nothing to the cost.

Have any of those who hold to this theory ever heard of the word "taxes"? Yes, Mr. Speaker, through income taxes on raised wages, through corporate taxes on increased profits, through property taxes on enriched real estate, through excise taxes on nearly every form of economic activity stimulated by that development, every single soul who lives within the area benefited by a project contributes directly in proportion to the amount of his benefit toward the cost of repayment and the support of the banker—the Federal Government—who made it possible.

That, in the proverbial nutshell, Mr. Speaker, is the answer to that charge. And I am yet amazed that the subject could have been seriously discussed, among men conversant with the economics of reclamation and development, without any of them realizing what an obvious answer it was.

I should like to close my remarks with a further reference to our relations with our brother nations throughout the world.

During the past several years, we have fought a tremendous war, costing billions of dollars and hundreds of thousands of lives, to conquer those whom we believed would destroy us. That expenditure can only be considered worth while if we can capitalize on it as an investment in the future of our own people.

We are attempting at the present time to feed one-fourth of the world's population with only 12 percent of its agricultural resources. We cannot possibly succeed in that program if we do not continue to develop and conserve those resources, at least at the rate at which we expend them.

The sum total of grants for aid to other countries since the conclusion of the war, including commitments made by the administration but not yet approved by Congress for 1948, total more than $15,000,000,000. A generous portion of those amounts have been gift-loaned to these countries for the same kind of reclamation-resource development programs which we now advocate for our western United States.

And in this connection it is interesting to note that the Interior budget is but some one-half of 1 percent of the total before us. Something of the swallowing of the camel enters the over-all consideration when we realize that the total of our foreign relations commitments in the present budget mounts to the astounding sum of $3,500,000,000. Current now are reports of upward of $500,000,000 for Mexican loans suggested to be for water and river development below the border. Interesting, too, is the fact that the administrative costs of the State Department have risen from $21,000,000 in 1941 to $276,000,000 in the present budget. Probably we should strain at the gnat—but it depresses westerners to see us swallow such a camel.

I feel that I should point out that I would be remiss in my duty to my constituency and to my country if I did not question the advisability of spending any money at all for the purpose of supporting either the governments or economies of foreign nations or for engaging in propaganda efforts to tell them about the glories of our own Nation before we make absolutely certain that the program we follow for development and conservation of our own priceless treasures is one characterized by sound principle and enlightened national self-interest.

Mr. Speaker, as I recently stated before the Reclamation Subcommittee of this body's Committee on Public Lands, it is not my fault that there are probably more than 45,000,000 horsepower of electricity flowing in the Columbia River. It is there. But I would be seriously at fault if I did not do everything within the limits of my ability to see that that tremendous energy was harnessed for the national good and welfare. I cannot urge too strongly that these principles be considered without regard to fractional prejudice or sectional interest, in making or refusing to make appropriations for the development of our remaining natural resources.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARTLEY (at the request of Mr. EATON) to attend funeral of a member of family.

To Mr. CARSON (at the request of Mr. MCGREGOR), on account of serious illness of his mother.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.), the House adjourned until tomorrow, Thursday, May 1, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

623. A letter from the Secretary of State, transmitting the fifth report of the Department of State on the disposal of United States surplus property in foreign areas; to the Committee on Expenditures in the Executive Departments.

624. A letter from the Chairman, the Textile Foundation, transmitting the annual report of the Textile Foundation for the fiscal year ending December 31, 1946; to the Committee on Interstate and Foreign Commerce.

625. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the Mustering-Out Payment Act of 1944; to the Committee on Armed Services.

626. A letter from the Secretary of the Treasury, transmitting the eleventh quarterly progress report of the Office of Contract Settlement; to the Committee on the Judiciary.

627. A letter from the Administrator, War Assets Administration, transmitting the progress report for the first quarter of 1947; to the Committee on Expenditures in the Executive Departments.

628. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes; to the Committee on Expenditures in the Executive Departments.

629. A communication from the President of the United States transmitting a revised estimate of appropriation for the fiscal year 1948 amounting to a decrease of $1,010,000 for the Housing Expediter (H. Doc. No. 228);

to the Committee on Appropriations, and ordered to be printed.

630. A letter from the Comptroller General of the United States transmitting report on the survey of the accounting system of the Federal Public Housing Authority for the years ended June 30, 1945, and June 30, 1946 (H. Doc. No. 229); to the Committee on Expenditures in the Executive Departments, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 2181. A bill relating to institutional on-farm training for veterans; with amendments (Rept. No. 327). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROPHY:

H. R. 3264. A bill to amend the Federal-Aid Highway Act of 1944, approved December 20, 1944, and for other purposes; to the Committee on Public Works.

By Mr. DIRKSEN:

H. R. 3265. A bill to amend the Emergency Price Control Act of 1942, as amended, relating to actions for civil liabilities for violation of the Emergency Price Control Act; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 3266. A bill to authorize the issuance of certain public improvement bonds by the Territory of Hawaii; to the Committee on Public Lands.

By Mr. GROSS:

H. R. 3267. A bill to provide for the construction of a country home for the President in the Commonwealth of Pennsylvania, and for other purposes; to the Committee on Public Works.

By Mr. HAYS:

H. R. 3268. A bill to repeal section 13b of the Federal Reserve Act, to amend section 13 of the said act, and for other purposes; to the Committee on Banking and Currency.

By Mr. HORAN:

H. R. 3269. A bill to fix the amount of an annual payment by the United States to the government of the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCORMACK (by request):

H. R. 3270. A bill relating to the promotion of certain officers and former officers of the Army of the United States; to the Committee on Armed Services.

By Mr. KEE:

H. R. 3271. A bill to provide for reimbursing Summers County, W. Va., for the loss of tax revenue by reason of the acquisition of land by the United States for the Bluestone Reservoir project; to the Committee on Public Lands.

By Mr. DOLLIVER:

H. R. 3272. A bill relating to the computation of length of service, for promotion purposes of certain employees who are transferred from one position to another within the postal service; to the Committee on Post Office and Civil Service.

By Mr. JUDD:

H. R. 3273. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii memorializing the President and the Congress of the United States to provide for the exploration, investigation, development, and maintenance of the fishing resources and the development of the high-seas fishing industry of the Territories and island possession of the United States in the tropical and subtropical Pacific Ocean and intervening seas; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HEFFERNAN:

H. R. 3274. A bill for the relief of Joseph H. Dowd; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 3275. A bill to confer a classified civil-service status upon certain special-delivery messengers in the post office at Minneapolis, Minn.; to the Committee on Post Office and Civil Service.

By Mr. KLEIN:

H. R. 3276. A bill for the relief of Benedict Kleitsch; to the Committee on the Judiciary.

By Mr. MARCANTONIO:

H. R. 3277. A bill for the relief of Mrs. Catherine Maurice; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

405. By Mr. HARLESS of Arizona: Petition of the Arizona State Legislature, relating to lasting peace; to the Committee on Foreign Affairs.

406. Also, petition of the Arizona State Legislature, requesting Congress to support certain legislation beneficial to veterans and others; to the Committee on Veterans' Affairs.

407. Also, petition of the Arizona State Legislature, requesting Congress to create the Petrified Forest National Park; to the Committee on Public Lands.

408. By Mr. MURDOCK: Petition of the State Legislature of Arizona, relating to lasting world peace; to the Committee on Foreign Affairs.

409. Also, petition of the State Legislature of Arizona, requesting Congress to create the Petrified Forest National Park; to the Committee on Public Lands.

410. Also, memorial of the State Legislature of Arizona, pertaining to legislation beneficial to veterans and others; to the Committee on Veterans' Affairs.

411. By Mrs. SMITH of Maine: Memorial of the Senate and House of Representatives in the State of Maine to the Honorable Clinton P. Anderson, United States Secretary of Agriculture, petitioning against the order of April 9 for further reduction in milk prices because of the increase in cost of milk production due to advances in feed prices in the State; to the Committee on Agriculture.

412. By Mr. THOMASON: Petition of El Paso Post, No. 36, American Legion, urging that Public, 663, Seventy-ninth Congress, be amended to extend the time in which veterans who have lost their limbs may apply for an automobile to be furnished them by the Government; to the Committee on Veterans' Affairs.

413. By Mr. WOLCOTT: Petition of 24 residents of St. Clair County, Mich., expressing interest in proposed legislation which seeks to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and over the radio; to the Committee on Interstate Commerce.

414. By the SPEAKER: Petition of the Tulsa County Bar Association, petitioning consideration of their resolution with reference to endorsement of H. R. 1639; to the Committee on the Judiciary.

415. Also, petition of the board of trustees of the National Petroleum Association, petitioning consideration of their resolutions with reference to taxation of cooperatives, taxation of reclaimed oil, and taxation of lubricating oil; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 1, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, we would not weary Thee in always asking for something. This morning we would pray that Thou wouldst take something from us. Take out of our hearts any bitterness that lies there, any resentment that curdles and corrodes our peace. Take away the stubborn pride that keeps us from apology and confessing fault and makes us unwilling to open our hearts to one another. For if our hearts are closed to our colleagues, they are not open to Thee.

We ask Thy mercy in Jesus' name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 1, 1947.

To the Senate:

Being temporarily absent from the Senate, I appoint JOHN W. BRICKER, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,
President pro tempore.

Mr. BRICKER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 30, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 30, 1947, the President had approved and signed the following acts:

S. 547. An act to provide for annual and sick leave for rural letter carriers; and

S. 736. An act authorizing the Commissioners of the District of Columbia to establish daylight-saving time in the District of Columbia during 1947.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on